



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

September 25, 2008

TO: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR ENDED JUNE 30, 2008

Attached for your review is the fifth annual risk management report *Chief Executive Office Risk Management Annual Report, Fiscal Year Ended June 30, 2008*. The report addresses the following:

- Contains summaries of the past three fiscal year losses and costs for the County of Los Angeles' (County) vehicle liability, general liability, medical malpractice, and workers' compensation and salary continuation/State of California (State) Labor Code 4850 exposures;
- Assists departments to recognize the nature and extent of their losses;
- Facilitates departments' efforts to strengthen their loss control and prevention activities and Corrective Action Plans; and,
- Provides the County Cost of Risk that compares the Countywide cost of losses and expenses to the County's operating budget.

As contained in the report, the County's Fiscal Year (FY) 2007-08 Cost of Risk was calculated at \$441,131,084, or 2.02 percent of the County's \$21,889,657,000 operating budget.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

In FY 2007-08, the County's risk management programs experienced a number of successes:

- A 6 percent decrease in the Cost of Risk from 2.15 percent in FY 2006-07, to 2.02 percent in FY 2007-08.
- An 8 percent savings (\$25 million) from the budgeted \$310 million for Workers' Compensation Trust Fund (WCTF) expenses, to the actual paid expense of \$285 million for FY 2007-08.
- A modest 2 percent increase (\$5 million) in WCTF-paid expense from FY 2006-07 (\$280 million) to FY 2007-08 (\$285 million).
- An 18 percent decrease (\$4 million) in medical malpractice expense from FY 2006-07 (\$22 million) to FY 2007-08 (\$18 million).
- A 7 percent decrease in workers' compensation salary continuation and State Labor Code 4850 expenses from FY 2006-07 (\$43 million) to FY 2007-08 (\$40 million).
- A 35 percent decrease (\$1.2 billion) in the workers' compensation estimated outstanding losses from June 30, 2004 (\$3.4 billion) to June 30, 2008 (\$2.2 billion).
- Significant enhancements to the County's Correction Action Plan program.
- CEO recommendations for Department Head Management Appraisal and Performance Plan goals relating to risk management issues and programs.

Countywide Risk Management Program

Support from each County Department Head for risk management activities is essential to minimize the County's Cost of Risk. Department Heads have demonstrated commitment by naming a departmental Risk Management Coordinator, supporting safety and return-to-work functions, and requiring staff to participate in workers' compensation and tort liability claim review meetings and roundtables. That effort is appreciated and is contributing to improvements in the Countywide risk management program and results.

Each Supervisor
September 24, 2008
Page 3

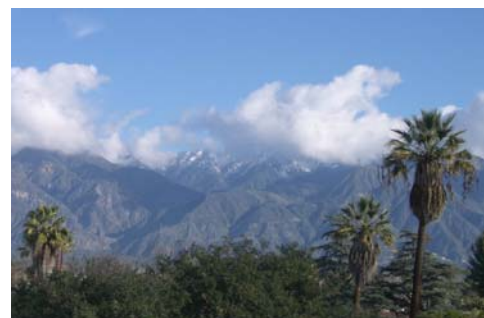
Continued Department Head support is needed to further enhance the County's risk management program. Enhancing an aggressive loss control and prevention program requires each department to identify their primary Costs of Risk through an evaluation of business operations, completion of thorough accident investigations and reviews, a review of loss data, and selection and implementation of methodologies to address their identified Costs of Risk. The CEO provides support for these efforts by consulting with department staff, providing recommendations based on best practices and assisting with their implementation, and by providing training concerning risk management, safety, claims, and return-to-work subjects. Workers' compensation loss data is available through the County's workers' compensation GenComp database, which the CEO made accessible to each department. Tort liability loss data can be obtained by requesting data from the CEO or County Counsel.

If you have any questions, please contact me or Rocky A. Armfield, County Risk Manager, at (213) 351-5346.

WTF:ES
RAA:SEN:sg

Attachment

c: Each Department Head



Inside County Risk

2007-08 ANNUAL REPORT

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

RISK MANAGEMENT BRANCH
JULY 2007 THROUGH JUNE 2008





Gloria Molina
1st District



Yvonne B. Burke
2nd District



Zev Yaroslavsky
3rd District



Don Knabe
4th District



Michael D. Antonovich
5th District

BOARD OF SUPERVISORS

We are proud to present Inside County Risk, the County of Los Angeles Chief Executive Office, Risk Management Annual Report for Fiscal Year ending June 30, 2008.

The report contains summaries of the fiscal year's losses and costs for the County of Los Angeles workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs. This report, including departmental recommendations, is intended to assist with the assessment of the nature and extent of departmental exposures and losses, and enhancement of effective loss control and prevention programs to mitigate those losses.

Thank you.



William T Fujioka
Chief Executive Officer

County of Los Angeles
Chief Executive Office
Risk Management Branch
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Los Angeles, CA 90010
(213) 351-5346
(213) 252-0405 Fax

This report is available on the Chief Executive Office website at:
<http://ceo.lacounty.gov/>

RISK MANAGEMENT ADVISORY COMMITTEE

The Chief Executive Office (CEO) thanks the Risk Management Advisory Committee (RMAC) for its efforts during the past year. The RMAC meets

quarterly to receive updates on County risk management issues and to provide feedback. The RMAC includes representatives appointed by the Board of Supervisors and the CEO.

1ST DISTRICT: SUPERVISOR GLORIA MOLINA

Gary A. Bacio
Law Offices of Gary Bacio

2ND DISTRICT: SUPERVISOR YVONNE B. BURKE

Jesse B. Johnson, Jr.
City of Long Beach

3RD DISTRICT: SUPERVISOR ZEV YAROSLAVSKY

Diann P. Corral

4TH DISTRICT: SUPERVISOR DON KNABE

Vacant

5TH DISTRICT: SUPERVISOR MICHAEL D. ANTONOVICH

Gavin Hachya Wasserman
Wasserman & Wasserman, LLP

CEO APPOINTEES

Fay Feeney
Envision Strategic Group

Karen D. Oxman
GNW - Evergreen Insurance Services, LLC

Roger B. Plotkin
Beckman Coulter, Inc.

Vacant



CHIEF EXECUTIVE OFFICE
RISK MANAGEMENT BRANCH

Inside County Risk
Risk Management
Annual Report



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PERFORMANCE COUNTS!

STATISTICS — FY 2007-08





EXECUTIVE SUMMARY

The County of Los Angeles
Chief Executive Office (CEO)
is pleased to provide its risk
management annual report for Fiscal
Year (FY) July 1, 2007 through
June 30, 2008.

The report contains summaries of the
fiscal year's losses and costs for the
County of Los Angeles (County)
workers' compensation, vehicle liability,
general liability, and medical malpractice

MISSION AND STRUCTURE

The CEO/RMB mission is:

To evaluate significant Countywide
risks, hazards, and exposures;
develop and implement risk
management methodologies to fund,
minimize or eliminate loss; and,
advise the Board of Supervisors and
departments of risk control
strategies to mitigate unanticipated
financial losses.

CEO/RMB Vision

*To be recognized as the leader in risk management for the
State of California public entities; and, to be relied upon for
a Countywide risk management philosophy, standards,
processes, and direction.*

self-insured programs. This report is
intended to assist departments with the
assessment of the nature and extent of
departmental exposures and losses, and
enhancement of effective loss control
and prevention programs to mitigate
those losses.

On June 30, 2008, the CEO Risk
Management Branch (CEO/RMB)
completed its sixth year administering
the County's risk management program.

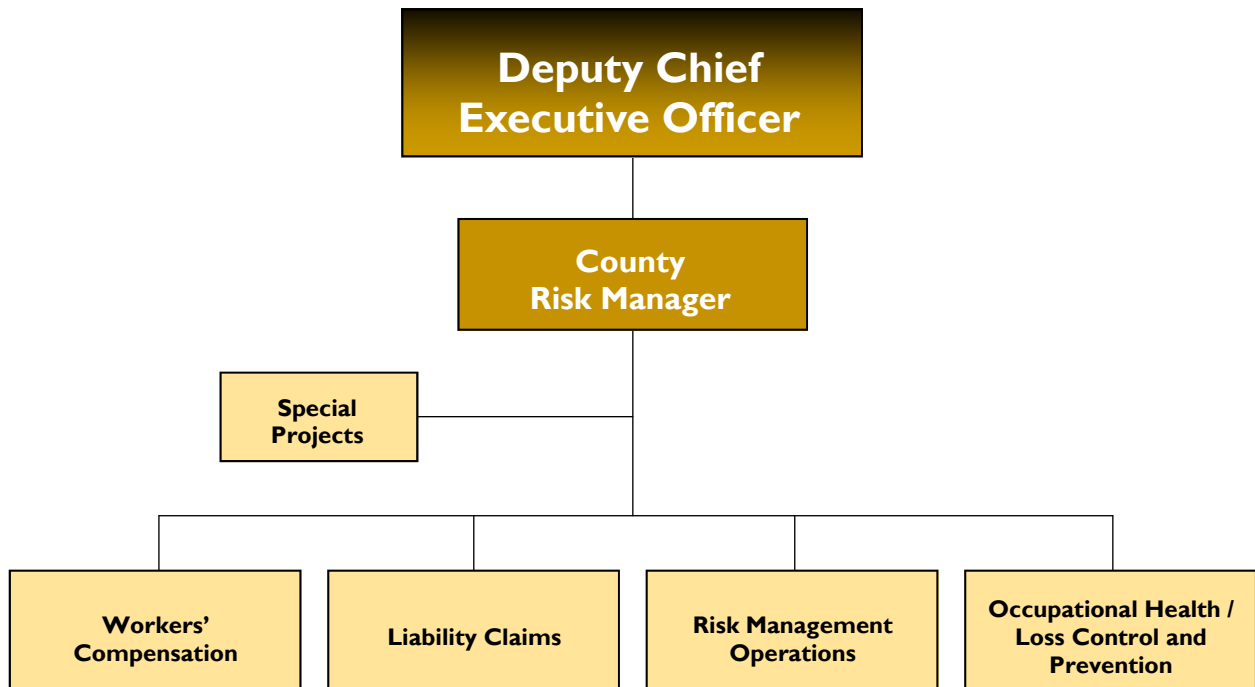
CEO/RMB's primary risk management
responsibilities include:

- Risk consulting;
- Self-insurance or purchased
insurance above self-insured
retentions;
- Monitoring of the County's
workers' compensation expense;
- Oversight of the Contract Cities
and Special Districts Liability
Trust Funds;

- Administration and monitoring of third party administrators' (TPA) adjusting of workers' compensation and tort liability claims, including vehicle, general, employment practices, and medical malpractice liability claims;
- Loss prevention training, reporting, standards, procedures, and compliance;
- Loss control and industrial hygiene programs;
- Contractual risk management programs, including indemnification and insurance requirement language review;

- Administration of the County's Occupational Health Program, including employee medical and psychological programs and the Employee Assistance Program;
- Administration of the County's Short-Term Disability (STD) and Long-Term Disability (LTD) Plans;
- Providing training, consultation, and standards for the County's workers' compensation Return-to-Work Program; and,
- Administration of the Countywide Corrective Action Plan Program.

CEO RISK MANAGEMENT BRANCH ORGANIZATION CHART



CEO/RMB comprises four operational areas:

Workers' Compensation

- Workers' Compensation Claims
- Return-to-Work
- Medical Management and Cost Containment

Liability Claims

- Liability Claims
- Small and Property Claims

Risk Management Operations

- Risk Management Operations
- STD and LTD Management

Occupational Health / Loss Control and Prevention

- Occupational Health Programs
- Loss Control and Prevention
- Risk Management Inspector General

Each operational area and its subsections are presented in this report. CEO/RMB staff implement the CEO's mission with direction from the County's Board of Supervisors (Board) and CEO senior management, and assistance from County departments, the CEO Risk Management Advisory Committee, and County Counsel.

FISCAL YEAR 2007-08 RESULTS

During FY 2007-08, the County experienced moderate increases in claim frequency and less than one percent growth (\$4.3 million) in the total Cost of Risk from \$436.8 million to \$441.1 million. The **Cost of Risk**, when measured as a percentage of the County's operating budget (2.02%), is the lowest it has been since the Cost of Risk started being calculated in FY 2001-02.

Workers' compensation claims per 100 employees increased 2% to 10.61 in FY 2007-08, but still remain well below the rates from before FY 2006-07.

CEO staff strive to protect gains made through workers' compensation legislative reforms. Reforms which were passed in the last few years included a medical fee schedule, medical utilization review, independent medical review, repeal of the treating physician presumption, and the creation of medical provider networks.

FY 2007-08 Accomplishments

- A 6% decrease in the Cost of Risk from 2.15% in FY 2006-07 to 2.02% in FY 2007-08.
- An 8% savings (\$25 million) from the budgeted \$310 million for Workers' Compensation Trust Fund (WCTF) expense to the actual paid expense of \$285 million for FY 2007-08.
- A modest 2% increase (\$5 million) in WCTF paid expense from FY 2006-07 (\$280 million) to FY 2007-08 (\$285 million).

- An 18% (\$4 million) decrease in medical malpractice expense from FY 2006-07 (\$22 million) to FY 2007-08 (\$18 million).
- A 7% (\$3 million) decrease in workers' compensation salary continuation and State of California (State) Labor Code 4850 expense from FY 2006-07 (\$43 million) to FY 2007-08 (\$40 million).
- A 35% decrease in the workers' compensation estimated outstanding losses from June 30, 2004 (\$3,388,455,560) to June 30, 2008 (\$2,176,317,242).
- Enhancements to the County's Correction Action Plan program.
- CEO recommendations for Department Head Management Appraisal and Performance Plan goals relating to risk management issues and programs.

FY 2008-09 Objectives

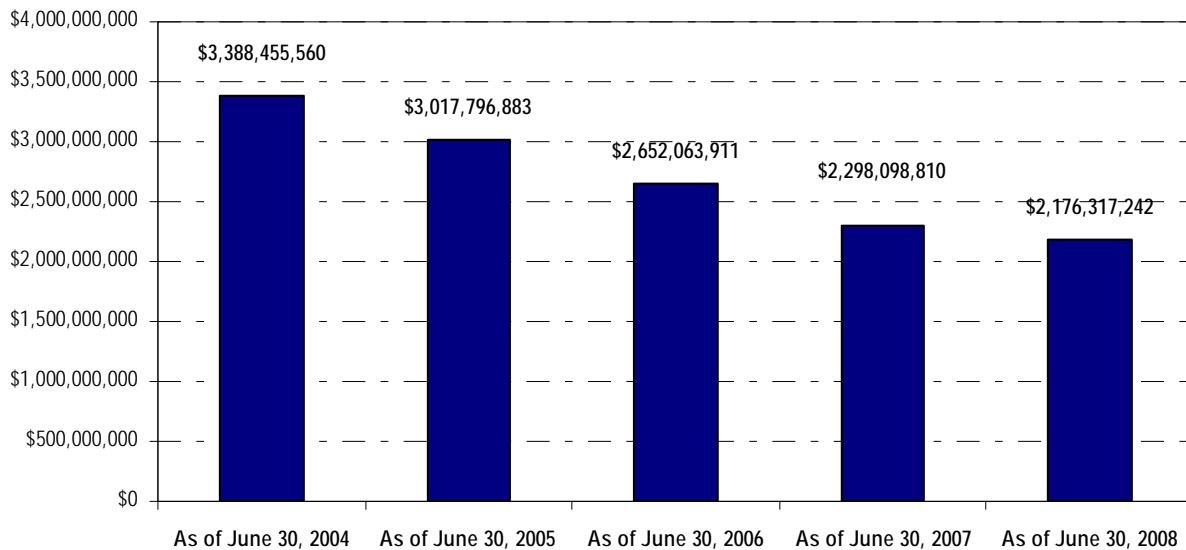
- Assist departments in implementing recommendations to improve departmental risk management processes and programs.
- Work closely with representatives in Sacramento to minimize the erosion of legislative gains obtained through the State workers' compensation reforms; and, make additional legislative recommendations to workers' compensation or service connected disability retirements as warranted.
- Minimize the County's Cost of Risk.
- Continue to work with the Department of Human Resources and County departments on the Countywide long-term leave management program.

ESTIMATED OUTSTANDING WORKERS' COMPENSATION LOSSES¹

As of June 30, 2004	As of June 30, 2005	As of June 30, 2006	As of June 30, 2007	As of June 30, 2008
\$2,627,884,540	\$2,556,222,203	\$2,435,203,729	\$2,262,596,742	\$2,176,317,242

¹ Includes State of California Labor Code 4850 expense, salary continuation expense, and Superior Courts.

ESTIMATED OUTSTANDING WORKERS' COMPENSATION LOSSES



ACTUARIAL RESULTS

The annual actuarial study of the County's self-insured Workers' Compensation Program includes a projection of the estimated outstanding losses (the cost of unpaid claims). These losses include claim reserves and Incurred But Not Reported claims.

As a result of legislative changes, including State Assembly Bill 227 and Senate Bills 228 and 899, and improvements in the County's risk management programs, the County experienced a significant decrease, \$1,212,138,318 (35%), in its estimated outstanding losses between June 30, 2004 and June 30, 2008.

COST OF RISK

The Cost of Risk is a comparison of the County's expenditures for the County's numerous risk management programs to the County's operating budget in a specific fiscal year. The effectiveness of

the County's risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expenses.

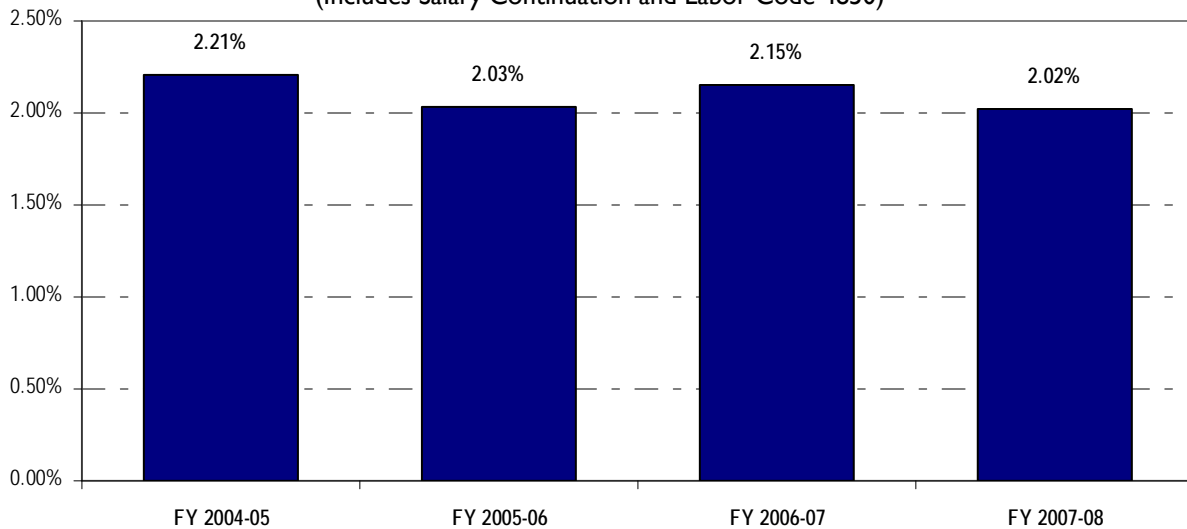
The County's objective is to minimize the Cost of Risk.

The Cost of Risk, when measured as a percentage of the County's operating budget, decreased 6% from FY 2006-07 (2.15%) to FY 2007-08 (2.02%), and reached the lowest level since the consolidation of CEO/RMB in 2002.

Increases in claim and legal expenses related to workers' compensation (2%), vehicle liability (7%), and general liability (8%) were partially offset by decreases in expenses related to medical malpractice (-18%) and workers' compensation salary continuation and State Labor Code 4850 (-7%).

COST OF RISK¹ AS A PERCENTAGE OF COUNTY OPERATING BUDGET FY 2004-05 THROUGH FY 2007-08

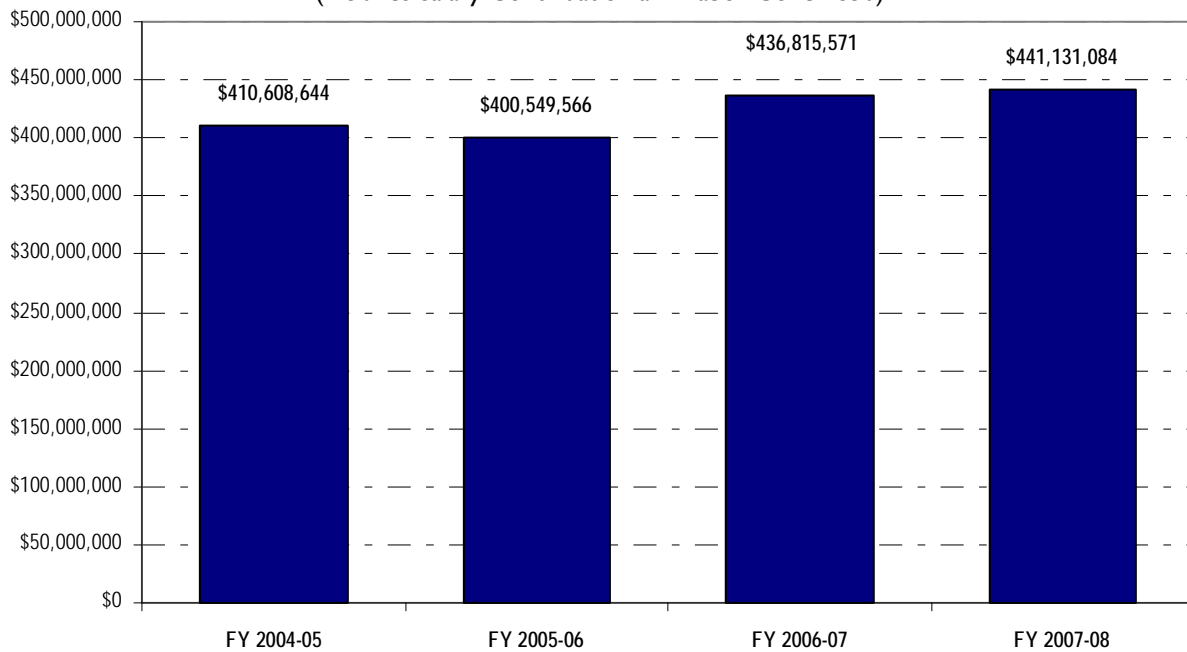
(Includes Salary Continuation and Labor Code 4850)



¹ Cost of Risk is the total of: (1) Claims and premiums, and (2) other costs as stated in the Cost of Risk Detail table (Annual Report, Executive Summary).

TOTAL COST OF RISK FY 2004-05 THROUGH FY 2007-08

(Includes Salary Continuation and Labor Code 4850)



COST OF RISK DETAIL

CLAIMS AND PREMIUMS	FY 2005-06	FY 2006-07	FY 2007-08
Vehicle Liability ^{1,2}	\$4,369,278	\$7,597,352	\$8,863,786
General Liability ¹	\$20,199,020	\$24,684,607	\$25,568,973
Medical Malpractice ¹	\$9,039,691	\$13,970,042	\$13,215,259
Workers' Compensation	\$207,621,048	\$212,436,522	\$212,413,016
Salary Continuation/Labor Code 4850	\$42,256,919	\$43,007,829	\$39,899,699
Property Insurance Premiums ³	\$12,668,683	\$13,915,100	\$14,148,788
Other Insurance Premiums ³	\$4,797,001	\$3,527,123	\$3,415,518
SUBTOTAL	\$300,951,640	\$319,138,575	\$317,525,039

OTHER COSTS	FY 2005-06	FY 2006-07	FY 2007-08
Legal Expenses—Workers' Compensation ⁴	\$15,316,298	\$18,893,200	\$19,385,232
Legal Expenses—Tort Liability ⁴	\$32,881,713	\$38,207,040	\$37,935,616
Broker Fees ³	\$500,000	\$500,000	\$500,000
Consulting and Management Fees	\$117,504	\$98,123	\$112,394
Claims Administration Fees ^{3,5}	\$26,436,059	\$28,380,373	\$29,514,638
Medical Management Fees	\$7,196,235	\$9,689,573	\$12,241,509
Workers' Compensation State Fee	\$2,279,502	\$4,697,863	\$6,673,858
Administrative ⁶	\$14,870,615	\$17,210,824	\$17,242,798
SUBTOTAL	\$99,597,926	\$117,676,996	\$123,606,045

COST OF RISK⁷	\$400,549,566	\$436,815,571	\$441,131,084
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TOTAL COUNTY OPERATING BUDGET	\$19,737,134,000	\$20,355,838,000	\$21,889,657,000
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COST OF RISK (AS PERCENTAGE OF COUNTY OPERATING BUDGET)	2.03%	2.15%	2.02%
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Note: All amounts are paid as of June 30, 2008, as reported in the County's liability Risk Management Information System (RMIS), workers' compensation information system (GenIRIS), and/or the WCTF Cash Balance Report. RMIS information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority (MTA), Metrolink, departments not listed in Exhibit B, Children Service dependency cases, and probate funding accounts.

1. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Payments include CEO/RMB Insurance Budget and County Counsel Judgment and Damages Budget.
2. Vehicle Liability claim cost figures do not include non-insured property loss and non-third party vehicle loss, which are directly paid by each department.
3. Reflects expenditures funded from only the Insurance Budget and does not include expenditures from the Judgment and Damages Budget.
4. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS). Legal expenses are defined in workers' compensation as all contract and County Counsel fees (pay category 53). Legal expenses are the sum of pay type SS and pay category 53.
5. Amount is the sum of the Insurance Budget expense for TPA adjusting services and the WCTF expense for TPA adjusting services. Does not include cost for other CEO/RMB functions (i.e. Loss Control and Prevention and Occupational Health Programs).
6. Amount is the sum of administrative support cost (i.e. computer system, CEO/RMB costs) for liability program and all of the administration costs not included in legal expenses, TPA adjusting expenses, and net benefit expenses; administrative workers' compensation costs are reported in the WCTF report.
7. Total Cost of Risk does not include non-insured property claims and County-owned vehicle claims.

EXPLANATION OF CHANGES IN THE COST OF RISK

EXPENSE CATEGORY	% CHANGE	PAID COST CHANGE	COMMENT
Vehicle Liability Claims	16%	\$1.3 million	The five largest individual payments totaled \$6.3 million in FY 2007-08 compared to \$4.7 million in FY 2006-07.
General Liability Claims	4%	\$0.9 million	The five largest individual payments totaled \$9.6 million in FY 2007-08 compared to \$10.2 million in FY 2006-07.
Medical Malpractice Claims	- 5%	- \$0.8 million	The five largest individual payments totaled \$8.6 million in FY 2007-08 compared to \$8.4 million in FY 2006-07.
Workers' Compensation Claims	0%	\$0.0 million	Claim expenses were unchanged.
Salary Continuation and Labor Code 4850	- 7%	- \$3.1 million	Improvements from Probation Department (- \$0.7 million) and Sheriff's Department (- \$2.7 million).
Workers' Compensation and Liability Claims Third Party Administrator Fees	4%	\$1.1 million	Increase due to cost-of-living adjustments.
Medical Management Third Party Administrator Fees	26%	\$2.5 million	Increase due to expanded use of medical management services as a result of legislative reforms.
State Workers' Compensation User's Fee	42%	\$2.0 million	State workers' compensation user fee charged to self-insured employers.

DEPARTMENTAL RECOMMENDATIONS

The following recommendations are for departmental contacts to consider to improve their risk management processes and programs.

Workers' Compensation

- Attend regularly scheduled claim reviews with the TPA administering the department's workers' compensation claims.
- Develop the capability to generate open workers' compensation claim reports identifying the department's most costly claims.

Return-to-Work

- Attend regularly scheduled claim reviews with the TPA administering the department's workers' compensation claims.
- Identify all injured workers receiving temporary disability or vocational rehabilitation maintenance allowance benefits (long term workers' compensation disability benefits) and monitor case status to comply with return-to-work recommendations.
- Implement and maintain an electronic system to track employees on disability leave.
- Develop close working relationships with medical treatment centers providing initial care to injured workers to ensure

transitional return-to-work availability is communicated.

- Attend regularly scheduled return-to-work training.

Liability Claims

- Periodically obtain and review relevant Risk Management Information System (RMIS) data for the department. Information should provide management with an understanding of the claim types, associated cost, and progress toward resolution.
- Participate in periodic claim reviews wherein overall claim/lawsuit status, funding/cost, and other claim/lawsuit-specific information is discussed.
- Conduct a comprehensive evaluation of the various types of liability claims (vehicle liability, general liability, medical malpractice, property, first party claims, employee permittee driver, etc.); and, gain an understanding of exposure, risks, and departmental costs related to the entire spectrum of claims.
- Consider assigning responsibility for coordination of the liability claims management process to the Risk Management Coordinator.

Risk Management Operations

- Participate in the development of the County Insurance Budget concerning departmental budgets.

- Work closely with CEO staff to maximize insurance benefits provided under the County's commercial property and casualty insurance programs.
- Participate in CEO contractual risk management/insurance training for departmental contract analysts and monitors.
- Request CEO consultation to ensure appropriate indemnification and insurance requirements are included in all service agreements, particularly those with unusual or complex statements of work or risk exposures.

STD and LTD Management

- Designate a department employee and a back-up to function as the departmental STD and/or LTD Coordinator to resolve claim issues through regular interaction with the CEO's STD and LTD monitor.
- Participate in the STD, LTD, and Survivor Benefit training offered by the CEO.
- Respond timely to informational requests from the County's TPA to expedite the claims processing time and avoid any unnecessary termination of benefits.

Occupational Health Programs

- Ensure that medical examinations are scheduled with sufficient time before the applicant is expected to start employment.
- Evaluate the effectiveness of hiring applicants on a conditional basis subject to the applicant passing the medical examination.
- Evaluate periodic employee medical examinations for direct relevancy for the employee's job tasks and only schedule those employees exposed.



- Evaluate job tasks to determine if additional testing is required for any employee not currently being tested on a periodic basis.
- Take necessary steps, including interactive meetings with employees, prior to requesting medical and/or psychological re-examinations.
- Provide CEO feedback relating to medical standards applied to applicants.
- Provide CEO with changes in job classifications or essential job functions that may impact the medical standards applied to applicant medical examinations.
- Check the CEO Occupational Health Programs website prior to scheduling medical examinations to ensure the chosen clinic is still providing quality service.

Loss Control and Prevention

- Ensure adequate staffing is provided to focus on loss control and prevention issues.
- Implement recommendations contained in the department's CEO Risk and Needs Assessments.

- Ensure that basic elements of the injury and illness prevention program (program and facility evaluations, accident investigations, and training) are implemented throughout the department.
- Work in conjunction with CEO to identify cost driver issues and develop action plans to address root causes of problems.

Risk Management Inspector General

- Review all existing open Corrective Action Plans (CAP) for compliance, closure and effectiveness.
- Develop an internal CAP assessment process to verify whether implemented corrective actions were accomplished.
- Risk Management Coordinators should work with CEO Risk Management and departmental safety staff to draft and implement proactive loss prevention steps based on completed CAPs.
- Risk Management Coordinators and other appropriate staff should attend CAP training, and participate in the development, review, and auditing of CAPs.



RISK MANAGEMENT BRANCH FUNCTIONS

Risk management is a continuous, forward-looking process that is an important part of business. Its effectiveness includes early and aggressive risk identification through the collaboration and involvement of all relevant stakeholders.

WORKERS' COMPENSATION

The County's self-insured Workers' Compensation Claim Administration Program is the largest of any local governmental entity in California. It is responsible for securing statutory workers' compensation protection for more than 100,000 employees and the administration of approximately 23,500 open workers' compensation claims. In addition, approximately 10,500 new claims are reported annually. Three workers' compensation claim Third Party Administrators (TPAs) adjust the County's workers' compensation claims. Experienced County staff in the CEO Workers' Compensation Claim Management Unit (CEO/WCCU) provides on-site monitoring of the claim services of each TPA. County Counsel staff and contracted workers' compensation defense attorneys provide legal services.

The mission of CEO/WCCU is:

To comply with all legal and regulatory mandates related to the Workers' Compensation Program at the least possible cost to the County.

To respond to County departments' needs that arise from the costs and risks associated with workers' compensation claim obligations.

To assist injured workers in the fair, equitable, and expeditious resolution of workers' compensation claim issues.

FY 2007-08 Accomplishments

- Closely collaborated with TPAs, County departments, and County Counsel in applying the significant State workers' compensation reforms that became effective in Calendar Years 2003 and 2004. These reforms offered administrative efficiency and cost

containment. As a result of the successful implementation of these reforms and departments' risk management efforts, the County's workers' compensation program has experienced expense stabilization.

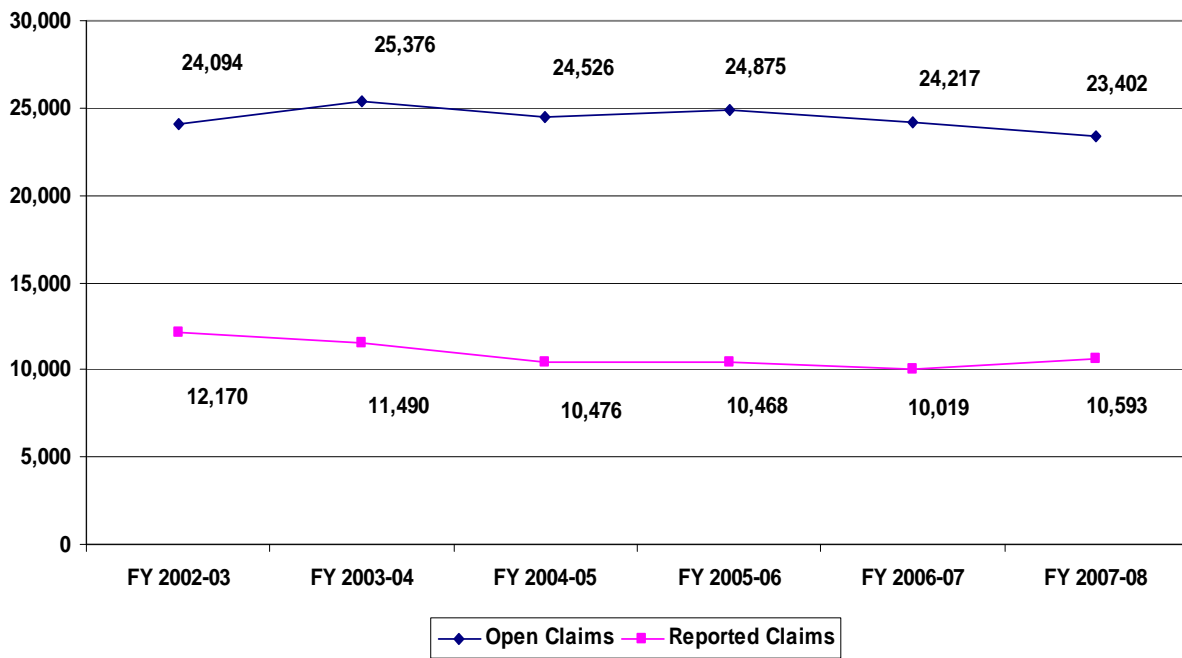
- Continued to work with a coalition of public and private employers and the insurance industry in monitoring and recommending regulatory changes to accomplish reform in a balanced, efficient, and non-litigious manner.
- Continued to emphasize claim handling protocols that cultivate

evidence-based claim administration and improve communication between workers' compensation TPAs and County departments. In FY 2007-08, CEO monitors attended more than 100 claim reviews and litigation roundtables.

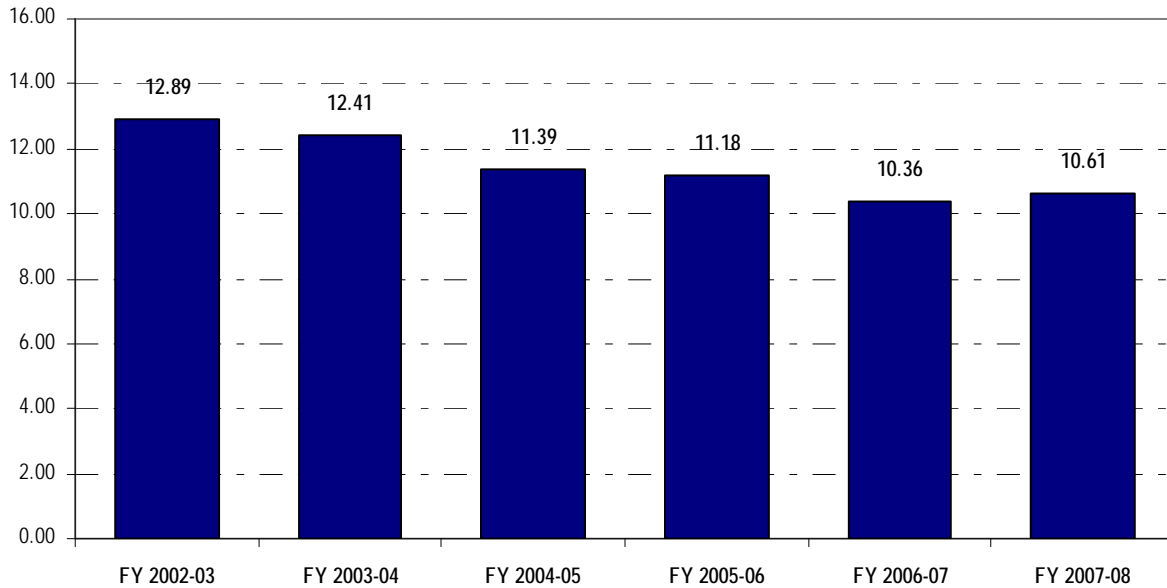
- Continued to provide workers' compensation claims auditing and monitoring services.
- Continued to provide consulting services aimed at resolving workers' compensation claim issues in an expedient, equitable, and cost effective manner.

WORKERS' COMPENSATION CLAIM INVENTORY OPEN CLAIMS AND REPORTED CLAIMS

(As of June 30, FY 2002-03 through FY 2007-08)

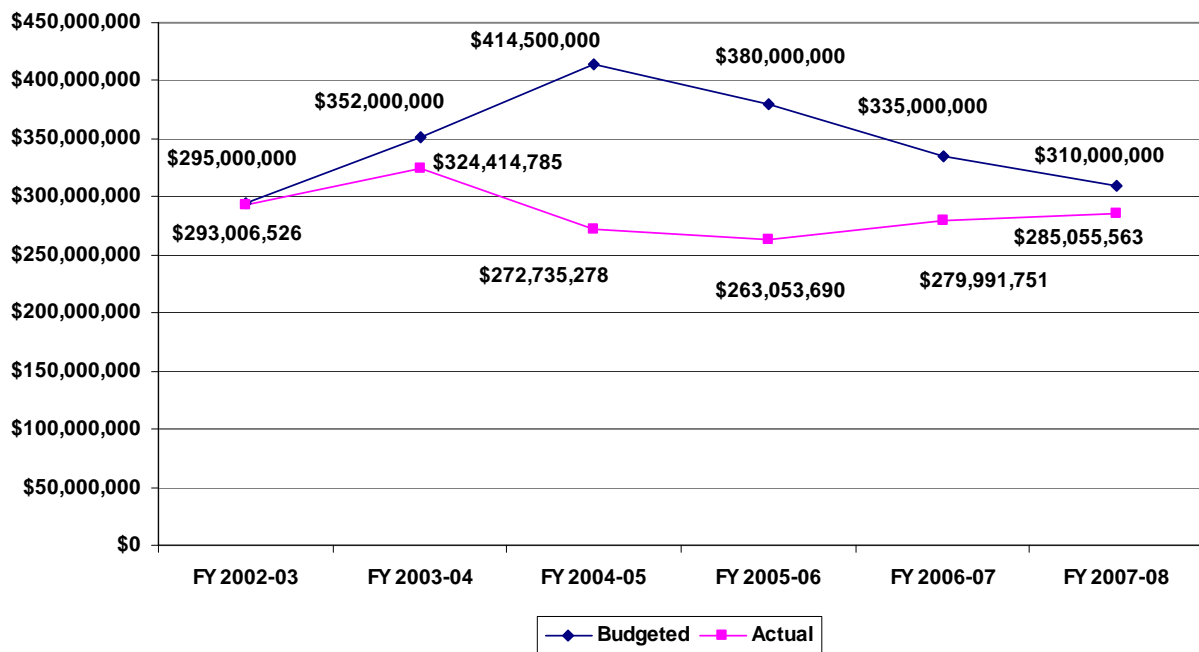


WORKERS' COMPENSATION CLAIM FREQUENCY PER 100 EMPLOYEES¹ (FY 2002-03 through FY 2007-08)



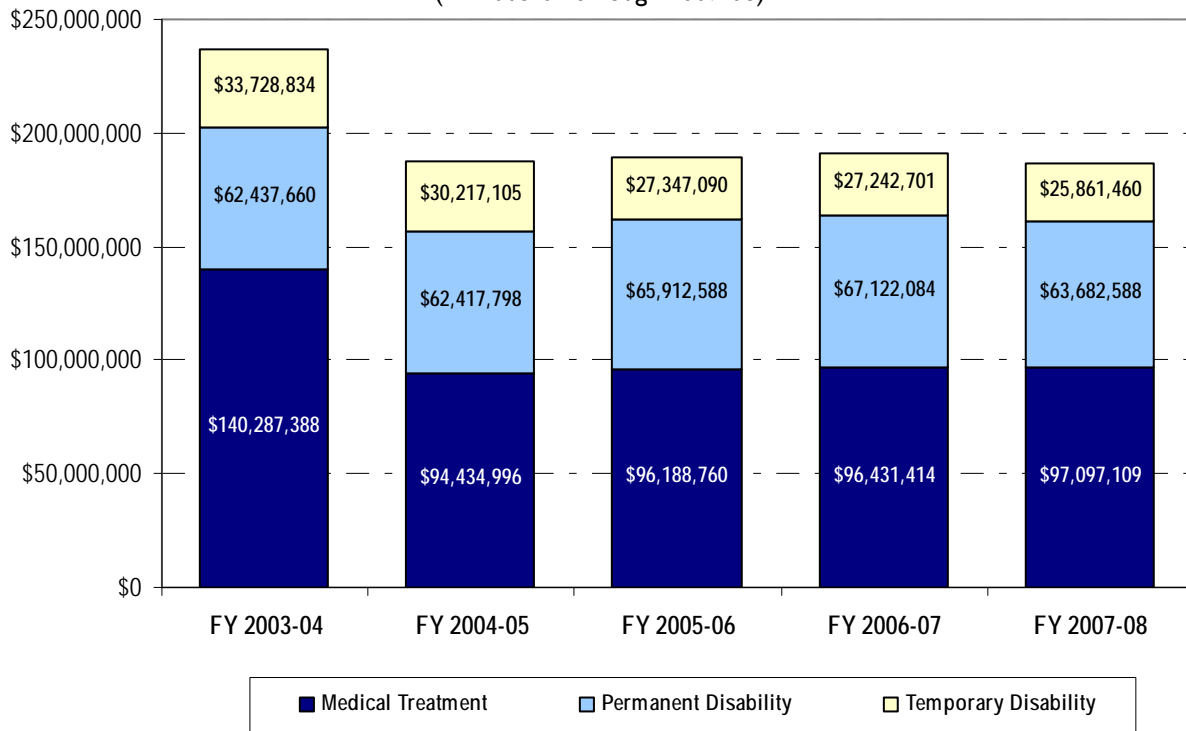
1. Employee count is based on payroll reports as of 12/31 each fiscal year.

WORKERS' COMPENSATION TRUST FUND BUDGETED VS. ACTUAL PAID (FY 2002-03 through FY 2007-08)



WORKERS' COMPENSATION MAJOR BENEFIT PAY CATEGORY COSTS

(FY 2003-04 through 2007-08)



Source: Medical Treatment is sum of Pay Category 00 and 10; Permanent Disability is Pay Category 21; Temporary Disability is Pay Category 20.

- Continued to assist investigative and prosecutorial agencies in the identification and evaluation of suspected fraudulent workers' compensation claims.

FY 2008-09 Objectives

- Continue to implement evidence-based claim handling protocols.
- Continue to assist and collaborate with the County of Los Angeles District Attorney's Workers' Compensation Division and investigative agencies to deter, detect, and prosecute all types of workers' compensation fraud.

- Investigate the cost and benefit of implementing an alternate dispute resolution carve-out.
- Attend all regularly scheduled workers' compensation claim reviews.

RETURN-TO-WORK

The County's Return-to-Work (RTW) program is intended to minimize the financial and human costs of work-related injuries by returning employees to work quickly and safely after industrial accidents. The program is also intended to promote the timely

exploration of reasonable accommodations for employees with a disability as required by the Fair Employment and Housing Act (FEHA). To assist County departments with the implementation of the RTW program, CEO/RTW provides training, consultative services, and model policies/procedures.

One indicator of the County's RTW program's effectiveness is cost avoidance to salary continuation, State Labor Code 4850, and State temporary disability expenses. RTW effectiveness results from the team effort of departmental RTW staff, workers' compensation TPAs, CEO program staff, department management, and injured workers. Countywide reductions to such costs are demonstrated below. Workers' compensation lost-time cost reductions occurred even though County salaries and the maximum State temporary disability rate increased over the period presented.

FY 2007-08 Accomplishments

- Conducted three professional development seminars for RTW coordinators. The seminars addressed topics including workers' compensation, FEHA, and the Family Medical Leave Act.
- Conducted RTW 101, an 18-hour introductory course, for 40 departmental RTW coordinators. The course provides a fundamental understanding of the County's RTW program and the responsibilities of County RTW coordinators.
- Conducted 28 RTW training sessions for departmental supervisors. The training sessions provide supervisors with an understanding of RTW duties including the coordination of light-duty assignments, completion of RTW paperwork, and the identification/

WORKERS' COMPENSATION LOST-TIME EXPENSE

(In Millions)

	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Salary Continuation and State Labor Code 4850	\$60.6	\$49.4	\$42.3	\$43.0	\$39.9
State Temporary Disability Rate	\$33.7	\$30.2	\$27.3	\$27.2	\$25.9
TOTAL	\$94.3	\$79.6	\$69.6	\$70.2	\$65.8

COUNTY OF LOS ANGELES
STATE LABOR CODE 4850 EXPENSE BY FISCAL YEAR

	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
District Attorney	\$662,894	\$198,966	\$220,551	\$200,144	\$109,827
Office of Public Safety	\$1,048,356	\$463,340	\$445,418	\$272,540	\$370,676
Probation	\$7,097,038	\$7,608,916	\$6,398,513	\$7,656,312	\$7,020,446
Fire	\$14,186,108	\$13,579,058	\$13,094,365	\$12,922,178	\$13,736,306
Sheriff	\$23,679,518	\$18,265,576	\$14,708,341	\$14,723,400	\$12,260,601
TOTAL¹	\$46,673,914	\$40,115,856	\$34,867,188	\$35,774,574	\$33,497,856

1. Named departments only.
Source: Auditor-Controller, based on 100% IA Earnings.

implementation of reasonable accommodations.

- Attended 13 interactive meetings to assist departments with the exploration of reasonable accommodations.
- Attended 79 workers' compensation claim reviews to assist CEO/WCCU and the TPAs with claim resolution efforts.
- Reviewed 53 vocational rehabilitation plans for employees unable to return to their job as a result of an industrial accident.
- Attended 39 vocational rehabilitation conferences at the Workers' Compensation Appeals Board and assisted the TPAs with the defense of the County.

FY 2008-09 Objectives

- Continue to promote collaboration with TPAs, County Counsel, County departments, and CEO/Return-to-Work to improve workers' compensation claim outcomes.
- Promote FEHA compliance as it relates to industrially related disabilities through current training and educational programs.
- Increase departmental awareness of the CEO's availability to assist in the Interactive Process. This will be achieved by conducting ongoing outreach at department workers' compensation claim reviews.

MEDICAL MANAGEMENT AND COST CONTAINMENT

The CEO Medical Management and Cost Containment Unit is responsible for monitoring the workers' compensation medical and disability management and cost containment contracts. These contracts are intended to reduce medical and disability costs and enhance the quality of the County's medical management program. They provide the following services:

- 24-hour Telephonic Reporting of Workers' Compensation Injuries;
- Nurse Case Management;
- Medical Bill Review;
- Pharmacy Bill Review;
- Preferred Provider Networks;
- Medical Provider Network(s); and,
- Utilization Review Services.

Medical management and cost containment services allow the County to take advantage of statutorily afforded cost avoidance provisions. In addition, those contractors provided utilization review services to ensure medical treatment services were based upon evidence-based medical guidelines.

FY 2007-08 Accomplishments

- In FY 2007-08, the County realized net savings of approximately 72% (\$286,229,518) on the total bills reviewed by medical management and cost containment contractors.

FY 2008-09 Objectives

- Investigate whether pattern recognition software and other technologies can be utilized, in a fiscally responsible manner, to detect fraudulent workers' compensation medical billing.

LIABILITY CLAIMS

The CEO Liability Claims Section (CEO/LC) provides consultative services that support the County's property and tort liability, including vehicle, general, employment practices, and medical malpractice liability claim processes. For vehicle, general, employment practices, and medical malpractice liability claims assigned to the County's two liability claim TPAs, CEO serves as the County's contract administrator. CEO represents the County in Small Claims Court, investigates liability and property claims, and adjusts inmate and patient property claims against the County.

CEO/LC also provides the following services to the County:

- Coordinate the County's subrogation program, including subrogation, restitution, and deductible recovery.
- Report and consult with County departments on exposure and claim issues. Assist departments to assess methods to reduce exposures and claims.
- Adjust small and property damage claims for various County departments.

- Manage the County’s structured settlement and annuity program.
- Coordinate and oversee the County’s Special Districts and Contract Cities Liability Trust Funds.
- Support departments’ loss control efforts through the use of RMIS loss control and claim reports.

FY 2007-08 Accomplishments

- Represented the County in 57 Small Claims Court appearances, resulting in 82% favorable decisions. The staff adjusted 417 small and property claims, limiting expenses to \$49,000.
- In conjunction with County Counsel, the Department of Health Services, and the County’s two tort liability TPAs, implemented an enhanced employment practices claim management process.
- Received revenue of \$687,876 from “at fault” parties who damaged County property.
- Implemented County Counsel’s Litigation Severity Index, which establishes protocols for prioritizing lawsuits that pose the greatest risk to the County.

FY 2008-09 Objectives

- Continue to collaborate with the County’s tort liability TPAs and County departments to pursue additional County real property subrogation opportunities.

- Work collaboratively with CEO Employee Relations and County departments to make improvements to the County’s Permittee Driver Program.
- Work with CEO Information Technology Services and County Counsel to provide liability claim information to County departments.
- Enhance the County of Los Angeles *Liability Claim User’s Guide* and conduct additional Countywide liability claim management training programs.
- Continue to collaboratively work with County Counsel and County departments to efficiently adjust claims and minimize claim-related losses.
- Revise the cost allocation request process to provide more timely decisions.

RISK MANAGEMENT OPERATIONS

The CEO Risk Management Operations Section (CEO/RMO) is responsible for the following risk management programs and functions:

- County Commercial Insurance Program;
- Insurance Budget (departmental coordination);
- CEO/RMB Contracts Administration Program;

- Contractual risk management program, including review and approval of indemnification provisions for service agreements, leases, construction contracts, right of entry permits, Memoranda of Understandings, and other agreements;
- Statements of indemnification and self-insurance certifications;
- Administrative services support to CEO/RMB;
- Ad hoc and special studies and reports; and,
- Risk Management Advisory Committee administration.

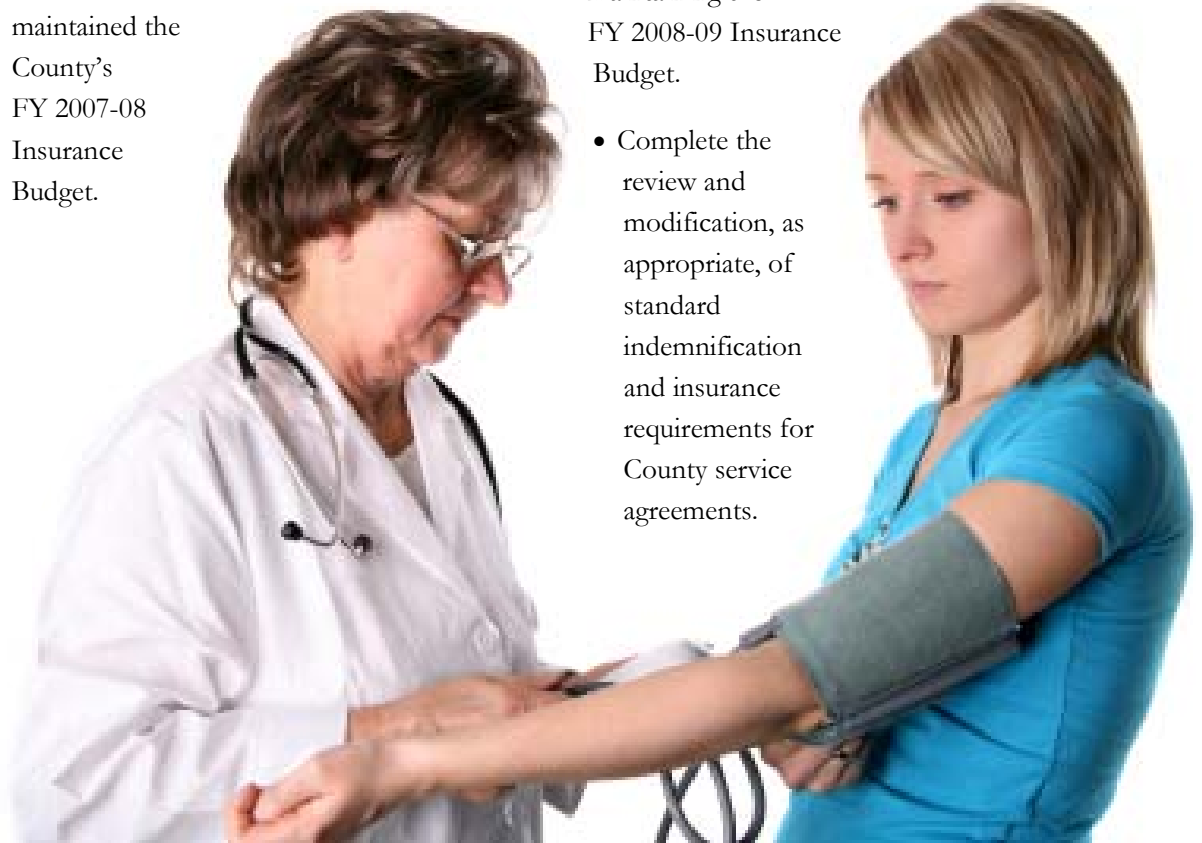
FY 2007-08 Accomplishments

- Maintained all commercial insurance programs without a lapse in coverage.
- Produced and maintained the County's FY 2007-08 Insurance Budget.

- Analyzed departmental contractual risk exposures and recommended indemnification and insurance requirements for County contracts; trained departmental contract analysts and other staff in contractual risk management and related insurance issues.

FY 2008-09 Objectives

- Maintain all commercial insurance programs with no break in coverage, enhance coverage terms at the most competitive cost, and achieve timely renewal of all broker services agreements.
- Continue providing technical assistance to departments with unique insurance requirements and issues.
- Meet all deadlines and requirements in producing and maintaining the FY 2008-09 Insurance Budget.
- Complete the review and modification, as appropriate, of standard indemnification and insurance requirements for County service agreements.



STD AND LTD MANAGEMENT

The STD and LTD Management Unit is responsible for administering the County's STD, LTD, and Survivor Benefit (SB) Plans. The STD and LTD Plans provide a salary maintenance benefit to County employees disabled as a result of an illness, injury, or pregnancy. The SB Plan provides eligible survivors with income benefits in the event of the employee's death.

Also available to the employee, and as a survivor benefit, is the Long-Term Disability Health (LTD-H) Plan that offers medical insurance premium coverage for LTD recipients. The LTD-H Plan is administered by the Department of Human Resources (DHR).

The administration of the STD, LTD, and SB Plans includes, but is not limited to:

- Procuring and managing the County's TPA and Hearing Officer contracts;

- Providing advice and guidance to County employees and departments relative to the Plan rules;
- Interpreting the County Code;
- Managing the various trust funds associated with these self-insured programs;
- Issuing an actuarial study every two years; and,
- Administering appeal hearings for LTD recipients.

FY 2007-08 Accomplishments

- Implemented the necessary administrative measures to ensure compliance with a Board Ordinance affecting benefits payable under the LTD and SB Plans.
- Researched exceptional claims which required multi-departmental collaboration in order to make a claim determination.

SHORT-TERM AND LONG-TERM DISABILITY CLAIM DATA

STD PLAN COMPONENTS	FY 2005-06	FY 2006-07	FY 2007-08
Claims Approved	466	535	587
Average Claim Duration	10.9 Weeks	11.9 Weeks	11.8 weeks
Average Number of Open Claims	86	105	106
Claim Expense	\$4,747,781	\$6,531,229	\$7,313,016
LTD PLAN COMPONENTS	FY 2005-06	FY 2006-07	FY 2007-08
Claims Approved	512	532	577
Average Number of Open Claims	2,529	2,519	2,519
Claim Expense	\$30,133,570	\$29,515,343	\$33,153,881

- Trained County departments, workers' compensation TPAs, and Los Angeles County Employee Retirement Association staff on Plan details.

FY 2008-09 Objectives

- Maximize collaboration with the CEO Compensation/Classification Unit, County Counsel, DHR, and the Auditor-Controller to ensure the Plans are being administered in accordance with the intent of the County Code and to clarify and resolve any ambiguities in the County Code.
- Coordinate distribution of Plan brochures in tandem with DHR Open Enrollment Materials so that employees can make more informed decisions regarding their disability benefits.
- Produce a training video that departments can utilize on an "on-demand" basis to learn about Plan details.
- Launch a more aggressive informational campaign of written correspondence and verbal presentations to inform employees of the Plans' most critical rules and claim requirements.

OCCUPATIONAL HEALTH PROGRAMS

The CEO Occupational Health Programs' (CEO/OHP) mission is:

To protect the health of County of Los Angeles employees, and by extension, the health and safety of the public they serve; and, to minimize the adverse effects of employee illness and injury on County departments.

This is accomplished through a number of functions:

- Pre-placement medical evaluations;
- Employee medical evaluations;
- Fitness for Life! program;
- Drug and alcohol program;
- Medical/Psychological re-evaluations; and,
- Employee Assistance Program (EAP).

PRE-PLACEMENT MEDICAL EVALUATIONS

In accordance with the Federal Americans with Disabilities Act and the State's FEHA, the testing protocols used in pre-placement medical evaluations have been designed to include only those components that are job-related. Consistent with fair employment laws, each applicant is evaluated on an individualized basis, utilizing the best available medical evidence.

EMPLOYEE MEDICAL EVALUATIONS

CEO continues to monitor certain employees after hire through the administration of the following disease surveillance and fitness-for-duty programs:

- Asbestos Workers' Medical Surveillance Program;
- Class A/B Drivers' Fitness Evaluation;
- Confined Space Entry Fitness Evaluation;
- Deputy Sheriff Bicycle Patrol Fitness Evaluation;
- Deputy Sheriff Clandestine Lab Team Medical;
- Deputy Sheriff FBI Bomb School Participant;
- Diver's Fitness Evaluation;
- Hazmat Team Member Evaluation;
- Hearing Conservation Evaluation;
- Lead Surveillance Evaluation; and,
- Respirator User's Evaluation.

FITNESS FOR LIFE! PROGRAM

The Fitness for Life! Program, formerly Fire Wellness, seeks to promote health by offering employees a comprehensive annual package of medical testing including cardiac stress testing. The number of evaluations in the program increased almost 50% from 1,937 in FY 2005-06 to 2,880 in FY 2006-07.

The number of evaluations then decreased almost 4% to 2,755 from FY 2006-07 to FY 2007-08.

DRUG AND ALCOHOL PROGRAM

CEO administers programs for the drug and alcohol testing of truck and ambulance drivers, high risk crafts positions, and for new hires and employees defined as commercial drivers by the Federal Department of Transportation or in safety-sensitive positions.

MEDICAL/PSYCHOLOGICAL RE-EVALUATIONS

If a County employee's job performance deteriorates and department management believes the changes may be related to any physical and emotional problems, the department may request the CEO to perform a medical or psychological re-evaluation pursuant to County Civil Service Rules (CSR 9.07.B).

EMPLOYEE ASSISTANCE PROGRAM

CEO manages the County's EAP which provides all County employees and their dependents access to confidential assessment, counseling, and referral services for personal issues that may impact an employee's job performance. EAP clinicians provide departments training to recognize the existence of employee problems and to initiate appropriate referral to the EAP. In addition, the clinicians offer a variety of training workshops to assist County departments in developing and maintaining a productive workforce.

OCCUPATIONAL HEALTH PROGRAMS' OUTPUT MEASURES

SERVICE PROVIDED	FY 2005-06	FY 2006-07	FY 2007-08
Medical Appeals	41	87	88
Applicant Medical Examinations	9,154	9,901	8,349
Employee Medical Examinations	4,787	5,361	5,322
Subpoenas/Records Requests	214	167	227
Psychological Appeals	59	76	86
EAP Counseling Sessions	605	560	601
EAP Telephone Sessions	935	479	535
EAP Training Sessions	102	56	60
Employees Trained by EAP	3,067	1,723	2,679

FY 2007-08

Accomplishments

- Responded to the medical and psychological examination needs of County departments.
- Completed the training of a second full-time staff physician.
- Implemented an improved quality assurance system related to medical clinic billing.



- Updated Clinical Testing Procedures used by contract medical assistants in performing medical examinations.
- Updated and revised the Clinical Practice Guidelines for Pre-Placement and Employee Medical Evaluations, Firefighter Wellness, and medical surveillance and DMV examinations.
- In conjunction with CEO Employee Relations and affected departments and unions, developed and implemented medical guidelines and procedures related to Senate Bill 134, which allows safety members who were previously required to retire at age 60 to continue working following certification by a County physician.
- Revised and expanded the scope of the Department of Transportation drug testing Request for Proposals.

- Secured funding for, and began design of, a new OHP database to replace the existing system for tracking medical testing information.
- Tracked medical data to ensure sufficient information is provided to assess the effectiveness of reducing the risk of future coronary disease in employees participating in the Fitness for Life! program.
- Amended medical service contracts to provide for pre-placement testing of commonly abused therapeutic drugs such as hydrocodone and oxycodone.
- Updated and revised the guidelines for requesting psychological re-evaluations.
- Conducted a comprehensive audit of pre-employment psychological screening for the Department of Children and Family Services.

- In collaboration with CEO Office of Security Management, provided specialized training on Workplace Threat Assessment and Violence Prevention to managers and supervisors of several departments.



Objectives for FY 2008-09

- Complete selection of a new contractor for drug and alcohol testing.
- Complete the implementation of the new OHP database and discontinue use of the legacy system.
- Complete the assessment of the Fitness for Life! program.
- Review and update approximately 300 pre-placement medical protocol sheets.
- Extend specialized training on Workplace Threat Assessment and Violence Prevention to other departments.

LOSS CONTROL AND PREVENTION

The CEO Loss Control and Prevention (CEO/LCP) Section's mission is accomplished through a number of strategies:

- Identify County departments' operational risk exposures and cost drivers;

- Provide loss control consulting to departments to improve their programs, procedures, and policies relating to their risks and cost drivers;
- Establish County loss control and prevention standards and assist departments to implement and attain them; and,
- Encourage departments to focus attention on "cost driver" issues and develop best practice methods to measure them.

On a Countywide basis, departments will be asked to focus on:

- Addressing issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs;
- Prioritizing and implementing loss control and prevention recommendations using department Risk and Needs Assessments;
- Improving accident investigations and determining root causes of accidents; and,

Loss Control and Prevention's Mission

To ensure a safe and healthful environment for County of Los Angeles employees, visitors, and citizens; and to minimize the County's Cost of Risk.

- Enhancing Corrective Action Plans (CAPs) and loss control and prevention activities to address the root causes of accidents.

The leading causes of County workers' compensation claims are:

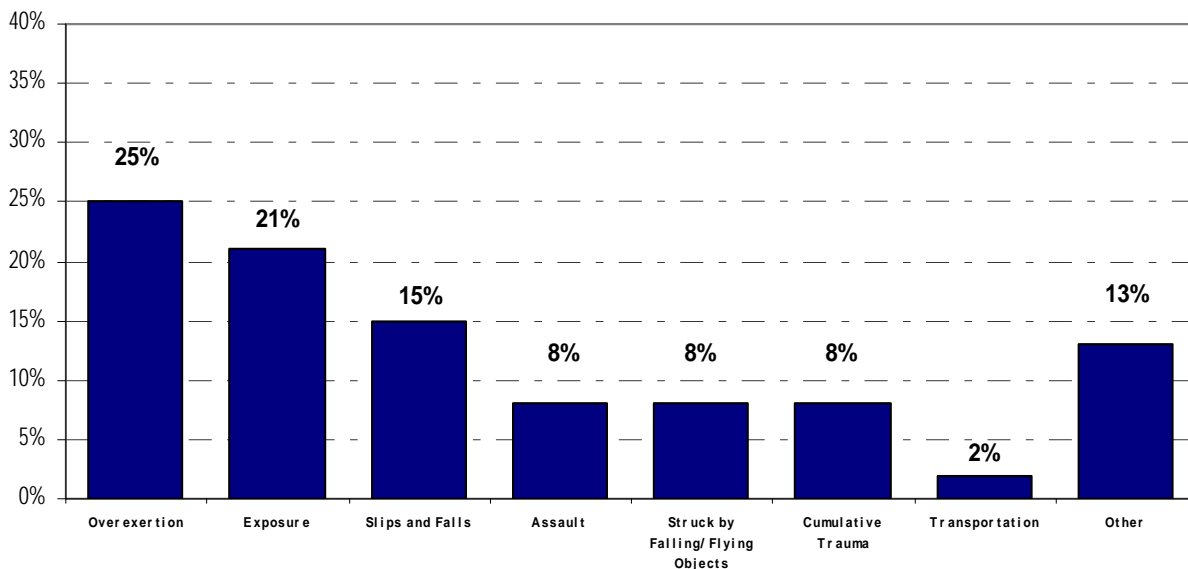
1. Slips and falls;
2. Exposure;
3. Overexertion (lifting, carrying, pushing, pulling);
4. Assaults;
5. Struck by falling/flying objects;
6. Cumulative trauma;
7. Vehicle accidents (transportation); and,

8. Other, including emotional, cardiovascular, rubbed by/against (includes abrasions and foreign objects in the eye), caught in/between (involves pinch points such as pinching fingers in a door).

The causes for these types of claims are being evaluated on a department-by-department basis. The graphs illustrate the major causes of FY 2007-08 workers' compensation claims and the cost breakdown of the major causes of those claims.

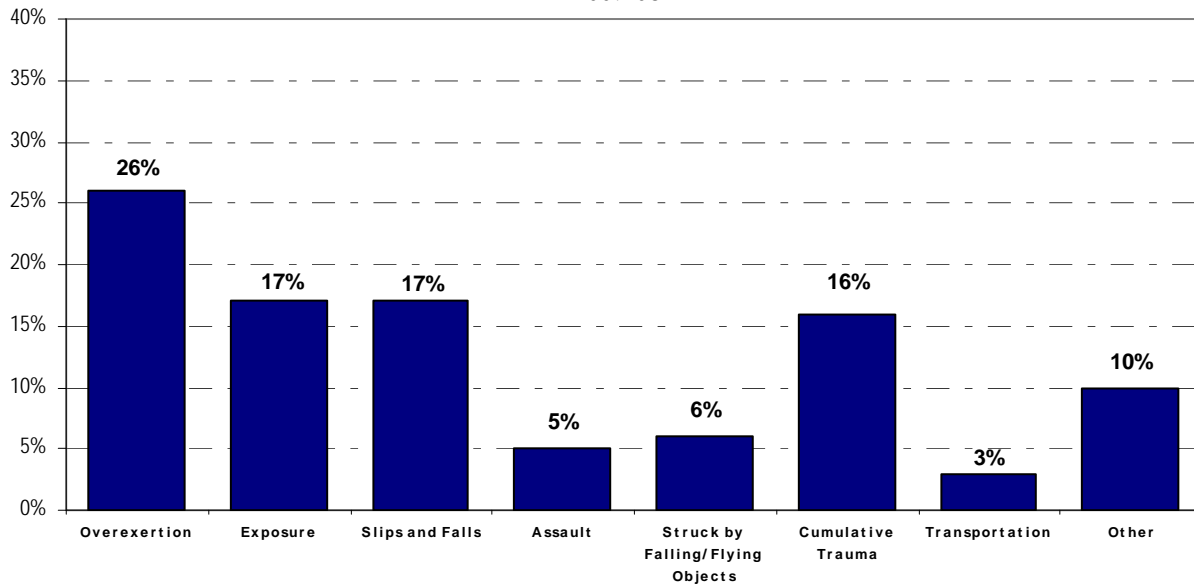
CEO efforts are essential to ensure the safety of County employees, visitors, and citizens, and minimize the County's Cost of Risk. CEO continues to work with its departmental contacts to address issues and implement improvements.

MAJOR CAUSES OF WORKERS' COMPENSATION CLAIMS BY FREQUENCY FY 2007-08



MAJOR CAUSES OF WORKERS' COMPENSATION CLAIMS BY INCURRED COST

FY 2007-08



FY 2007-08 Accomplishments

- CEO/LCP continued the 40-hour training program, Introduction to Occupational Safety and Health, to enhance the skills and capabilities of personnel assigned to implement and maintain their department's loss control and prevention programs. This program teaches the basics of workplace safety, health, loss control and risk management and establishes the foundation on which departments administer their risk management programs. This year 142 personnel from 15 departments received training through this program.
- In collaboration with the CEO/ Risk Management Inspector General (RMIG), the CAP review program was expanded to include a Summary Corrective Action Plan (SCAP) review process to review claims submitted to the County Claims Board in excess of \$20,000. Thirty-four CAPs were reviewed this fiscal year.
- CEO/LCP continued to update and expand the loss control and prevention information in the departmental Risk and Needs Assessments.
- A program was established to monitor and assist departments with the Board-ordered quarterly evaluations of their County-owned facilities.
- CEO/LCP successfully assisted several departments in justifying, through explanation of risk issues and associated costs, the need for safety/risk management personnel on staff.

FY 2008-09 Objectives

- CEO/LCP intends to create a committee of department safety officers as a forum for discussing common loss prevention and risk management issues.
- In collaboration with CEO/RMIG, CEO/LCP will continue to assess the implementation status of existing CAPs and provide assistance to departments on the development of new CAPs.
- Continue to focus CEO efforts on “cost driver” issues by assisting departments to implement an aggressive loss control and prevention program.
- Examine the County’s vehicle loss experience and provide recommendations to departments to improve the tracking and control of these costs.

CAPS SUBMITTED TO THE BOARD OF SUPERVISORS FOR LIABILITY SETTLEMENTS IN EXCESS OF \$100,000 BY FISCAL YEAR

DEPARTMENT	FY 2005-06	FY 2006-07	FY 2007-08
Agricultural Commissioner/Weights & Measures	0	2	0
Auditor-Controller	0	1	0
Beaches and Harbors	1	0	0
Children and Family Services	3	4	4
Community and Senior Services	1	0	0
District Attorney	1	0	0
Fire	2	2	3
Health Services	12	9	19
Internal Services	1	1	0
Office of Public Safety	1	0	1
Parks and Recreation	0	1	2
Probation	1	0	3
Public Health	0	1	4
Public Social Services	1	1	0
Public Works	6	7	5
Registrar-Recorder/County Clerk	1	0	0
Sheriff	17	13	6
TOTAL	48	42	47

RISK MANAGEMENT INSPECTOR GENERAL

CEO/RMIG provides consultative services to support department evaluation and assessment of risk that may result in property or liability claims, or other loss-related financial exposures. The CEO assists departments in the development and implementation of CAPs, SCAPs, root cause analysis, and development of loss control options. Additionally, the CEO/RMIG collaborated with CEO/LCP in conducting an independent assessment of CAP and SCAP implementation by departments.

The CEO maintains the County's *Corrective Action Plan User's Guide*, which provides departments standardized and uniform guidelines related to the development and implementation of CAPs and SCAPs.

FY 2007-08 Accomplishments

- In collaboration with CEO/LCP, implemented a process to review department CAPs and SCAPs for closure and effectiveness within six months of approval by the Board of Supervisors (Board) and/or the County Claims Board (Claims Board), and conducted 58 independent assessments.
- Participated in over 250 reviews, assessments and/or meetings with departments to assist them in developing specific CAPs and SCAPs.
- Assisted departments in implementing the SCAP process for claims submitted to the Claims Board in excess of \$20,000.

SCAP SUMMARY BY DEPARTMENT (SETTLEMENTS \$20,000 THROUGH \$100,000)

DEPARTMENT	FY 2007-08
Children and Family Services	1
Coroner	1
Internal Services	1
Mental Health	4
Probation	1
Public Social Services	2
Public Works	7
Registrar-Recorder/County Clerk	1
Sheriff	9
TOTAL¹	27

¹ SCAP process was initiated in November 2007.

- In collaboration with County Counsel, notified and consulted with departments in initiating the CAP process for County Counsel's Litigation Severity Index Priority One cases within 90 days of assignment (for cases where a CAP was necessary).

- Implemented a review program which involved providing consultative review and support for all CAP/SCAPs not initially approved by the Claims Board.

- Implemented the Countywide CAP/SCAP Applicability Program to notify department Risk Management Coordinators (RMC) of CAP/SCAP activity that occurred within the County that may have a probability of occurring within other County departments. The program is intended to reduce Countywide exposure by communicating lessons learned in one department to other potentially affected departments.



- Implemented a program for CEO/RMIG and CEO/LCP to work with departments to review significant liability events (i.e. fatalities, etc.) within 90 days of event notification, to determine appropriate CAP action items.

- Implemented a process for liability claim TPAs to notify the departmental RMC and CEO/LCP should a claim's indemnity reserve exceed \$20,000.

FY 2008-09 Objectives

- Expand the half-day CAP Development Workshop to a full day and expand the curricula to include root cause analysis, SCAP process, loss control and hazard assessment.
- Implement a monthly departmental reporting program for all liability claims with an indemnity reserve over \$20,000 in order to start the CAP process earlier in the litigation process.

CAP/SCAP ACTION ITEMS COMPLETION RATE

DEPARTMENT	FY 2006-07	FY 2007-08
Agricultural Commissioner/Weights and Measures	- - -	100%
Animal Care and Control	100%	- - -
Children and Family Services	84%	100%
Community and Senior Services	100%	- - -
Fire	100%	100%
Health Services	99%	98%
Internal Services	100%	100%
Parks and Recreation	- - -	100%
Probation	100%	- - -
Public Defender	100%	- - -
Public Health	- - -	86%
Public Library	100%	- - -
Public Social Services	100%	100%
Public Works	100%	100%
Registrar-Recorder/County Clerk	100%	- - -
Sheriff	100%	100%
TOTAL	97.4%	98.4%

The table above represents the completion rate for CAP/SCAP action items reviewed during the period. The CAP/SCAP may have been approved by the Board in an earlier period, but reviewed during the fiscal year noted. The completion rate is based on completion of the CAP/SCAP action items included in the CAP/SCAP document. If there is no completion rate noted, a CAP/SCAP was not reviewed during the period.

Consultative assistance is provided to departments when CAP/SCAP action items have not yet been completed.

- Publish the *Corrective Action Plan Implementation Assessment and Reporting Manual* and conduct training for department staff responsible for assessing CAP/SCAP implementation and effectiveness.

- Explore the feasibility of enhancing the CAP/SCAP tracking software application.



PERFORMANCE COUNTS!

*P*erformance Counts! presents a common set of terms to allow the public, Board of Supervisors and stakeholders to understand results achieved by any given

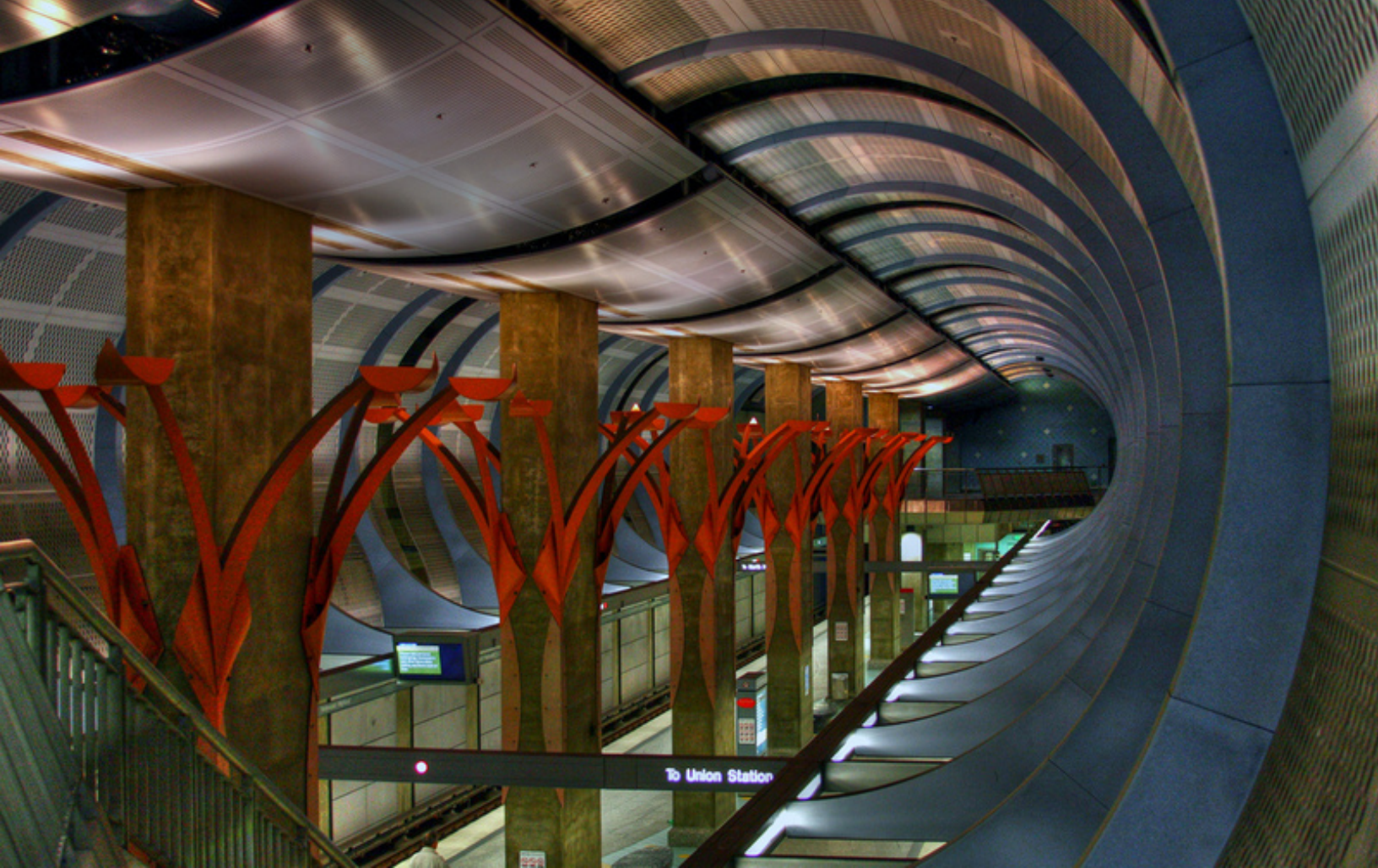
County department. It gives flexibility to present measures which are applicable to, and representative of, the services departments provide.

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT BRANCH PERFORMANCE MEASURES

INDICATORS	ACTUAL FY 2005-06	ACTUAL FY 2006-07	ACTUAL FY 2007-08	PROJECTED FY 2008-09
Liability loss and adjustment expenses as a percent of total County operating budget	0.36%	0.44%	0.41%	0.40%
Workers' compensation loss and adjustment expenses as a percent of the total County operating budget	1.33%	1.38%	1.30%	1.30%
Percent change of loss control and prevention consultations and trainings provided from prior fiscal year.	-35.7%	38.7%	-20.5%	22.0%

OPERATIONAL MEASURES

Liability losses and expenses	\$71,120,104	\$88,995,611	\$90,264,320	\$99,000,000
Workers' compensation trust fund losses and expenses	\$263,053,690	\$279,991,751	\$285,055,563	\$330,000,000
Number of opened liability claims	4,333	4,102	5,176	4,500
Number of opened workers' compensation claims in fiscal year	10,468	10,019	10,593	10,750
Number of loss control and prevention consultations and trainings provided to County departments to identify loss control and prevention opportunities	372	516	410	500



STATISTICS FY 2007-08

TOTAL COST PAID — ALL CLAIMS	Exhibit A
ALL CLAIMS COUNT AND COST SUMMARY	Exhibit B
TOTAL NUMBER OF CLAIMS FILED	Exhibit C
WORKERS' COMPENSATION CLAIM COUNT AND COST SUMMARY	Exhibit D
VEHICLE LIABILITY CLAIM COUNT AND COST SUMMARY	Exhibit E
GENERAL LIABILITY CLAIM COUNT AND COST SUMMARY	Exhibit F
MEDICAL MALPRACTICE CLAIM COUNT AND COST SUMMARY	Exhibit G
SALARY CONTINUATION AND LABOR CODE 4850 COST SUMMARY	Exhibit H
CLUSTER — DEPARTMENT LIST	Exhibit I



EXHIBIT A

TOTAL COST PAID — ALL CLAIMS

FY 2005-06 through FY 2007-08

CLAIMS	FY 2005-06	FY 2006-07	FY 2007-08
Vehicle Liability ^{1,2}	\$6,742,230	\$10,070,852	\$10,798,025
General Liability ¹	\$44,490,645	\$52,118,253	\$56,545,605
Medical Malpractice ¹	\$15,256,824	\$22,269,935	\$18,312,118
Workers' Compensation ³	\$263,053,690	\$279,991,751	\$285,055,563
Salary Continuation/Labor Code 4850	\$42,256,919	\$43,007,829	\$39,899,699
TOTAL⁴	\$371,800,308	\$407,458,620	\$410,611,010

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.
4. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.

PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE

FY 2007-08

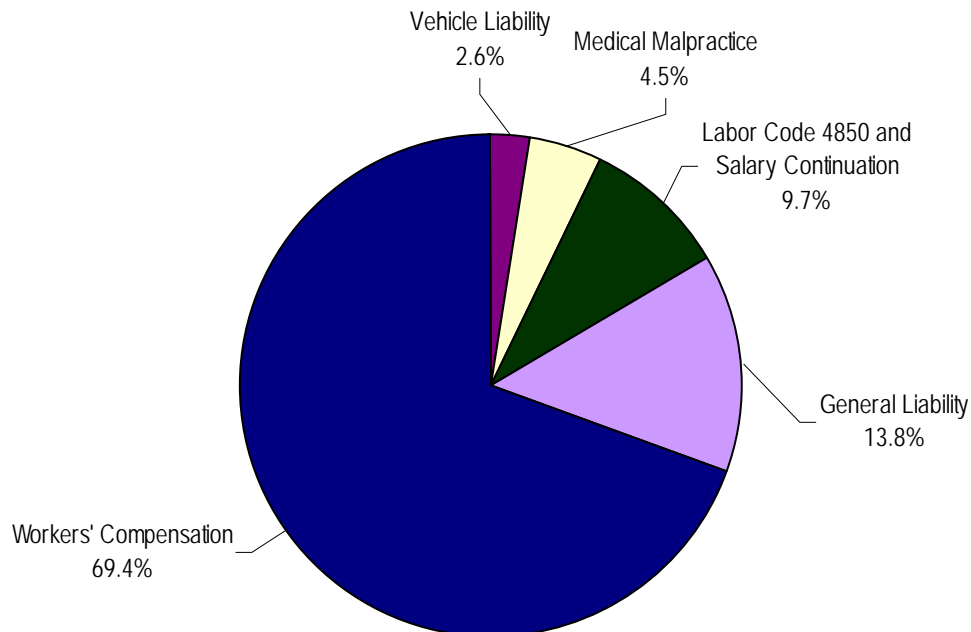


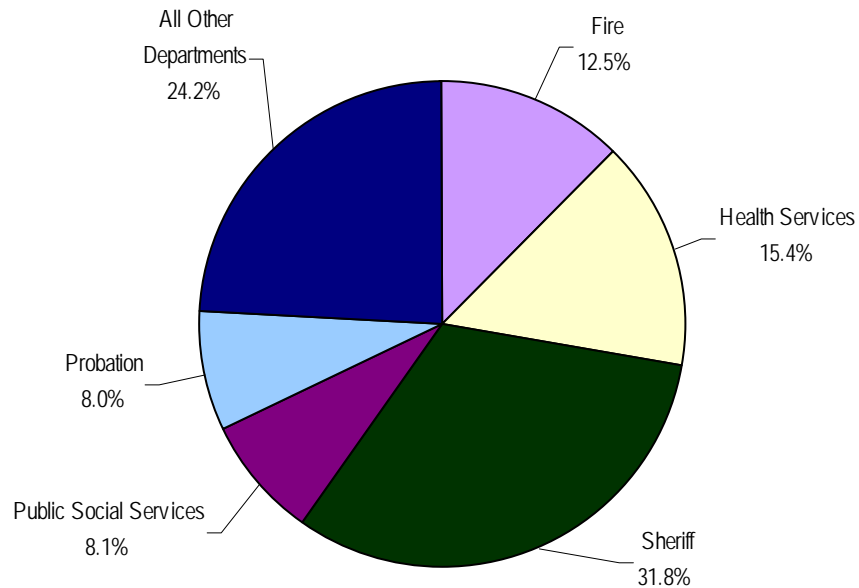
EXHIBIT B

ALL CLAIMS COUNT AND COST SUMMARY

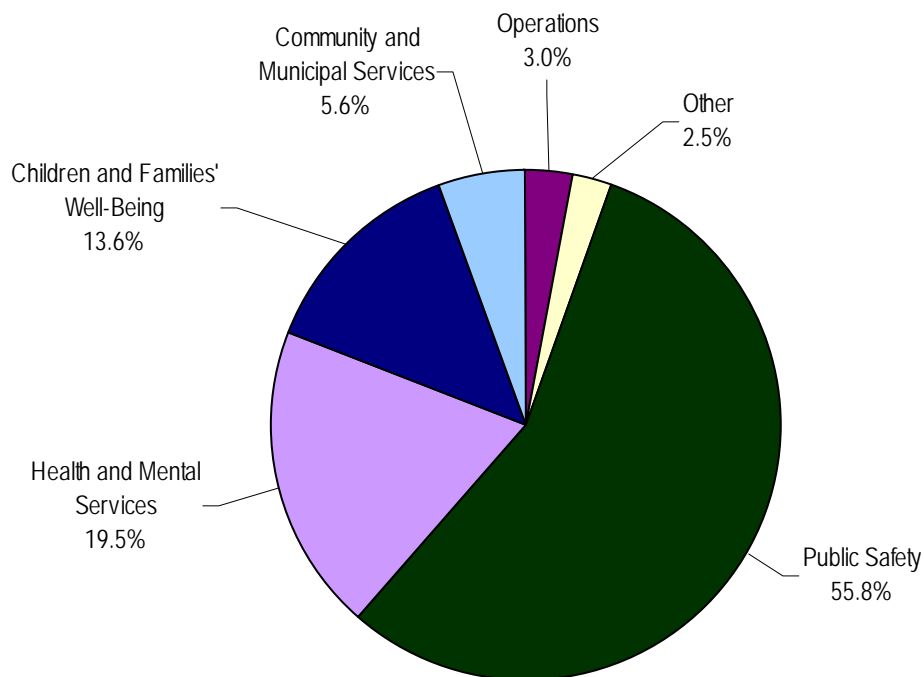
DEPARTMENT	FY 2005-06		FY 2006-07		FY 2007-08	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	2	\$79,223	2	\$31,593	0	\$40,953
Agricultural Commissioner/Weights & Measures	48	\$877,009	52	\$946,489	44	\$1,183,889
Alternate Public Defender	14	\$367,620	7	\$946,767	14	\$461,947
Animal Care and Control	156	\$1,219,672	127	\$779,413	172	\$1,252,304
Assessor	46	\$1,223,803	50	\$1,483,068	54	\$1,405,112
Auditor-Controller	107	\$436,097	34	\$823,301	57	\$316,515
Beaches and Harbors	47	\$952,042	26	\$595,299	48	\$503,216
Board of Supervisors	26	\$910,802	15	\$679,732	38	\$762,879
Chief Executive Office	12	\$1,294,375	19	\$670,849	16	\$892,747
Chief Information Office	0	\$7,643	0	\$3,523	1	\$17,092
Child Support Services	121	\$2,891,978	111	\$3,514,675	132	\$3,298,608
Children and Family Services	484	\$15,619,748	463	\$17,846,546	552	\$18,009,260
Community and Senior Services	18	\$935,539	19	\$860,131	19	\$988,587
Consumer Affairs	2	\$49,033	1	\$57,943	4	\$235,753
Coroner	59	\$999,407	68	\$960,421	81	\$1,192,293
County Counsel	16	\$660,189	19	\$645,079	26	\$415,052
District Attorney	155	\$5,361,632	132	\$6,342,766	175	\$5,227,484
Fire	1,495	\$45,023,040	1,470	\$49,427,715	1,553	\$51,456,103
Health Services	1,873	\$58,314,071	1,813	\$65,762,927	1,847	\$63,087,742
Human Relations Commission	2	\$5,712	0	\$970	3	\$43,458
Human Resources	7	\$150,949	8	\$282,057	6	\$89,931
Internal Services	183	\$2,011,425	147	\$6,126,380	192	\$4,592,515
LACERA	9	\$547,016	7	\$471,356	16	\$362,021
Mental Health	225	\$5,369,763	203	\$5,732,342	234	\$7,145,533
Military and Veterans Affairs	5	\$87,777	1	\$54,452	2	\$76,120
Museum of Art	9	\$161,665	4	\$167,347	3	\$204,249
Museum of Natural History	2	\$114,061	4	\$103,660	5	\$180,884
Non-Jurisdictional	325	\$148,933	346	\$261,290	438	\$450,267
Office of Public Safety	103	\$3,321,613	114	\$4,470,547	89	\$4,404,256
Ombudsman	0	\$0	1	\$0	0	\$0
Parks and Recreation	299	\$3,117,869	302	\$6,396,297	285	\$3,541,620
Pending Assignment	18	\$3,132	35	\$18,265	26	\$3,754
Probation	834	\$24,992,195	774	\$27,741,597	862	\$32,948,950
Public Defender	66	\$1,752,386	52	\$1,280,273	59	\$1,375,632
Public Health	221	\$7,303,169	252	\$7,675,253	236	\$9,923,798
Public Library	55	\$951,484	73	\$842,599	46	\$1,023,735
Public Social Services	855	\$30,380,755	822	\$31,392,311	910	\$33,391,232
Public Works	1,045	\$13,873,938	939	\$14,153,206	1,005	\$15,961,702
Regional Planning	9	\$116,788	9	\$56,376	14	\$238,572
Registrar-Recorder/County Clerk	74	\$1,871,188	100	\$1,221,590	117	\$2,594,722
Sheriff	5,591	\$127,504,559	5,456	\$135,974,538	6,304	\$130,653,142
Superior Court	291	\$10,003,497	257	\$9,909,793	257	\$9,421,941
Treasurer and Tax Collector	40	\$787,519	31	\$747,881	154	\$1,235,440
Total⁴	14,801	\$371,800,316	14,121	\$407,458,617	15,769	\$410,611,010

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2008.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

PERCENTAGE OF ALL CLAIMS COST PAID BY DEPARTMENT
FY 2007-08



PERCENTAGE OF ALL CLAIMS COST PAID BY CLUSTER
FY 2007-08



1. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

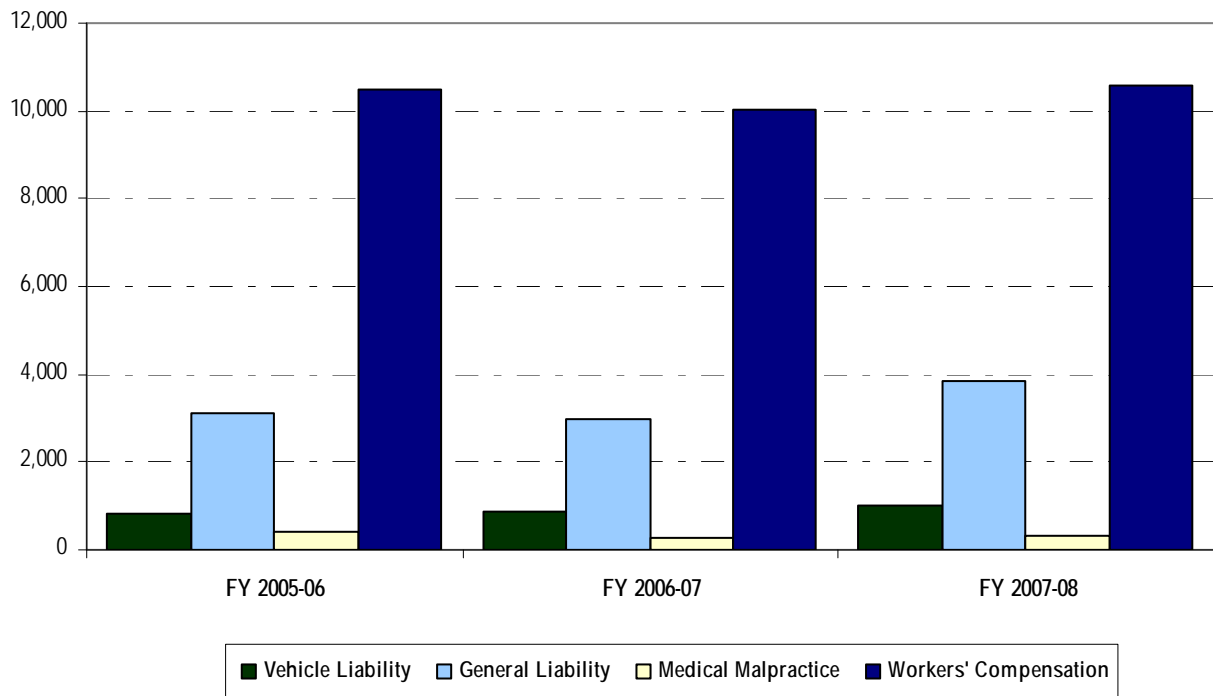
EXHIBIT C
TOTAL NUMBER OF CLAIMS FILED
FY 2005-06 through FY 2007-08

CLAIM TYPE ^{1,2}	FY 2005-06	FY 2006-07	FY 2007-08
Vehicle Liability	830	870	985
General Liability	3,101	2,956	3,857
Medical Malpractice	402	276	334
Workers' Compensation	10,468	10,019	10,593
TOTAL	14,801	14,121	15,769

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.

2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

TOTAL NUMBER OF CLAIMS FILED BY CLAIM TYPE
FY 2005-06 through FY 2007-08



TOTAL NUMBER OF CLAIMS FILED BY CLUSTER

FY 2005-06 through FY 2007-08

CLUSTER ¹	FY 2005-06	FY 2006-07	FY 2007-08
Public Safety	8,365	8,126	9,181
Health and Mental Health Services	2,319	2,268	2,317
Community and Municipal Services	1,624	1,485	1,582
Children and Families' Well-Being	1,485	1,416	1,618
Operations ²	513	425	661
Other ³	643	645	737
TOTAL⁴	14,801	14,121	15,769

1. See Exhibit I for a breakdown of departments by cluster.
2. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.
3. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
4. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.

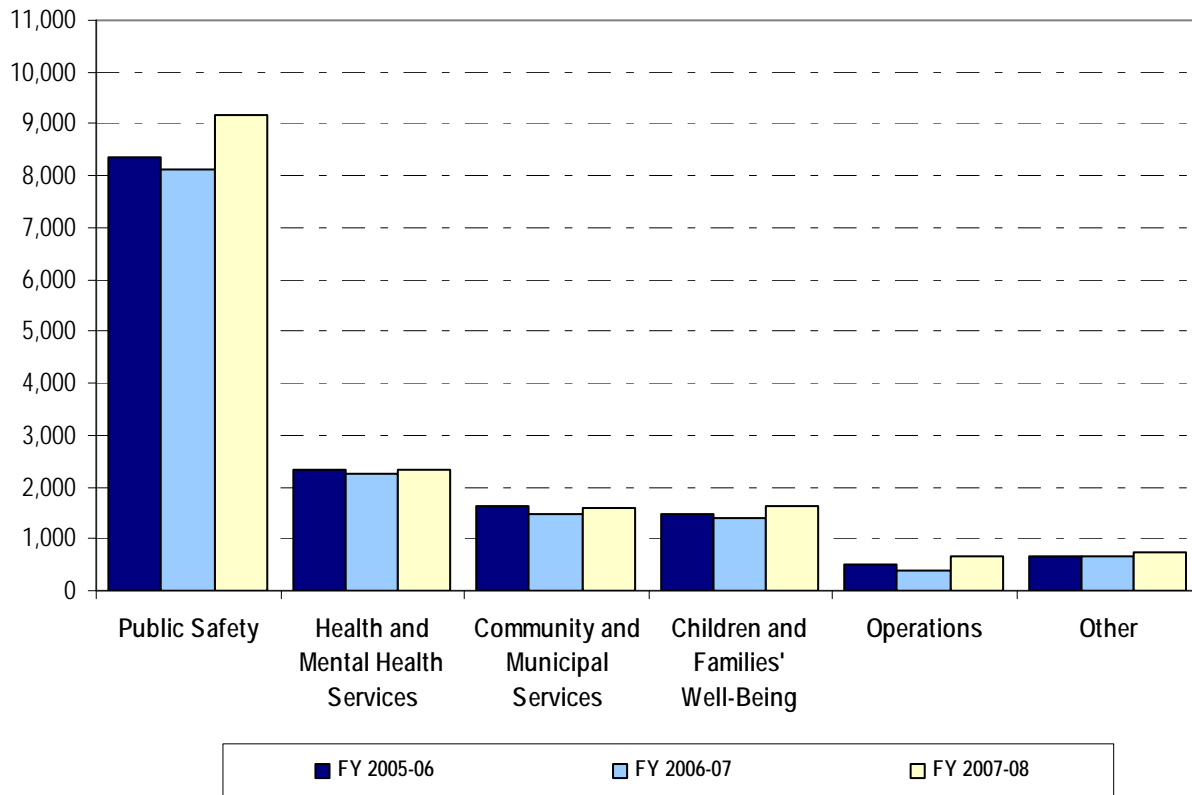


EXHIBIT D

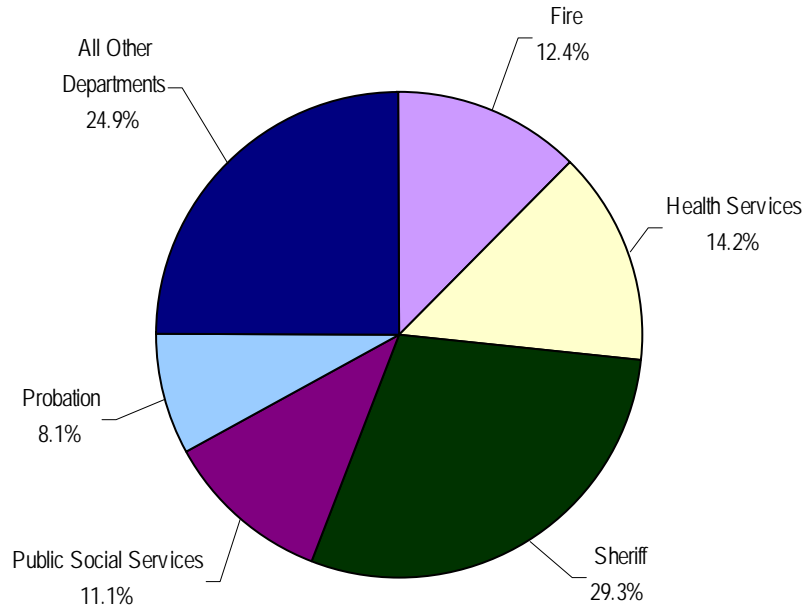
WORKERS' COMPENSATION CLAIM COUNT AND COST SUMMARY

DEPARTMENT	FY 2005-06		FY 2006-07		FY 2007-08	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	1	\$78,907	2	\$23,673	0	\$40,953
Agricultural Commissioner/Weights & Measures	28	\$789,302	34	\$880,361	26	\$645,008
Alternate Public Defender	8	\$52,153	4	\$84,083	8	\$104,675
Animal Care and Control	147	\$818,607	110	\$553,675	126	\$808,605
Assessor	34	\$1,090,419	43	\$1,383,476	33	\$1,201,143
Auditor-Controller	8	\$349,192	17	\$430,764	7	\$241,048
Beaches and Harbors	23	\$578,635	11	\$446,697	19	\$360,655
Board of Supervisors	8	\$195,220	4	\$254,034	20	\$215,841
Chief Executive Office	6	\$291,668	7	\$471,557	7	\$462,473
Chief Information Office	0	\$7,643	0	\$3,523	0	\$17,092
Child Support Services	97	\$2,585,889	94	\$3,116,813	102	\$3,082,325
Children and Family Services	330	\$12,023,120	344	\$15,020,425	364	\$14,442,254
Community and Senior Services	15	\$770,729	16	\$680,532	15	\$642,918
Consumer Affairs	2	\$48,959	1	\$34,376	1	\$229,020
Coroner	30	\$864,929	33	\$663,801	28	\$803,166
County Counsel	13	\$356,320	15	\$473,924	9	\$354,222
District Attorney	70	\$4,345,930	67	\$5,297,821	83	\$4,102,570
Fire	1,352	\$29,900,243	1,282	\$32,122,194	1,416	\$35,169,970
Health Services	1,372	\$39,422,437	1,317	\$41,112,183	1,272	\$40,587,008
Human Relations Commission	1	\$5,712	0	\$970	3	\$42,576
Human Resources	3	\$148,330	4	\$279,368	5	\$88,689
Internal Services	129	\$4,784,583	104	\$5,530,406	135	\$4,204,238
LACERA	9	\$546,104	7	\$459,001	15	\$362,021
Mental Health	165	\$4,033,962	139	\$3,737,740	155	\$5,643,347
Military and Veterans Affairs	5	\$59,168	0	\$41,813	2	\$71,557
Museum of Art	4	\$160,834	0	\$157,347	1	\$195,079
Museum of Natural History	2	\$109,813	3	\$103,660	3	\$180,620
Office of Public Safety	81	\$2,473,130	93	\$3,157,318	52	\$3,303,537
Ombudsman	0	\$0	1	\$0	0	\$0
Parks and Recreation	203	\$2,513,398	215	\$3,104,189	199	\$2,983,425
Pending Assignment	4	\$0	20	\$0	7	\$0
Probation	789	\$16,877,566	706	\$19,011,659	766	\$23,204,251
Public Defender	48	\$1,136,237	31	\$1,030,051	43	\$1,191,034
Public Health	186	\$5,794,066	218	\$6,248,309	200	\$6,611,619
Public Library	49	\$691,961	62	\$789,065	34	\$926,092
Public Social Services	819	\$28,029,562	789	\$29,154,403	854	\$31,727,123
Public Works	321	\$5,964,768	260	\$5,985,284	277	\$5,744,929
Regional Planning	5	\$115,761	4	\$43,449	4	\$139,786
Registrar-Recorder/County Clerk	67	\$1,483,195	71	\$1,056,660	66	\$1,688,207
Sheriff	3,726	\$83,789,003	3,623	\$87,055,629	3,955	\$83,460,845
Superior Court	289	\$9,121,002	255	\$9,332,644	256	\$8,926,928
Treasurer and Tax Collector	19	\$645,233	13	\$658,874	25	\$848,714
Total	10,468	\$263,053,690	10,019	\$279,991,751	10,593	\$285,055,563

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts as listed on Workers' Compensation Trust Fund Cash Balance Report.
3. Superior Court expenses are billed to the State of California.

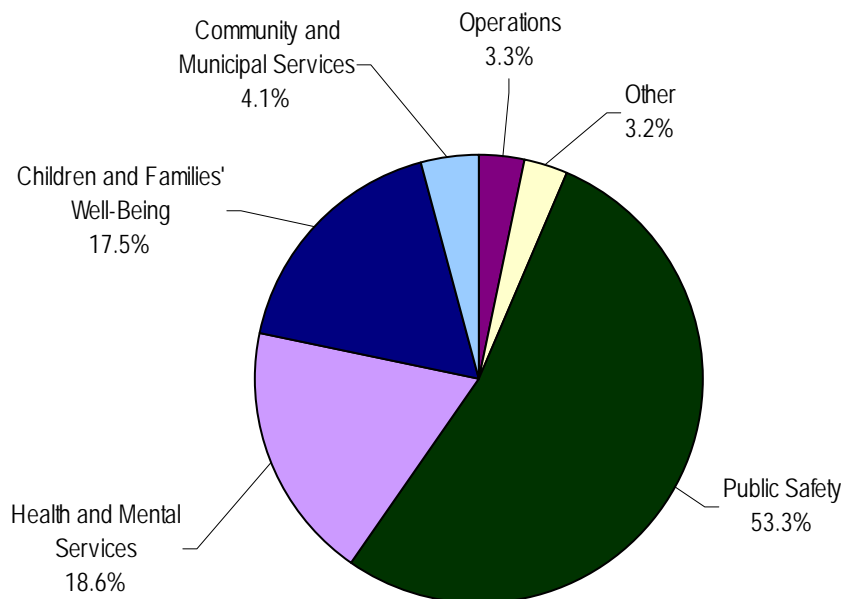
PERCENTAGE OF WORKERS' COMPENSATION COST PAID BY DEPARTMENT

FY 2007-08



PERCENTAGE OF WORKERS' COMPENSATION COST PAID BY CLUSTER

FY 2007-08



1. "Other" category includes claims coded to LACERA, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

WORKERS' COMPENSATION CLAIMS FILED

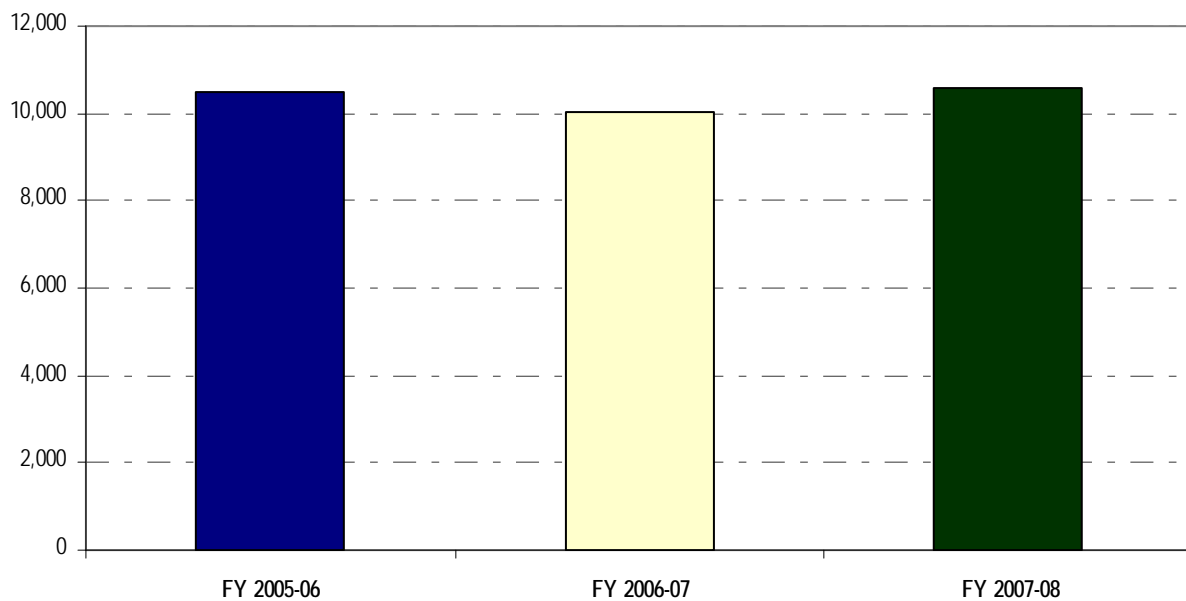
FY 2005-06 through FY 2007-08

CLUSTER ¹	FY 2005-06	FY 2006-07	FY 2007-08
Public Safety	6,132	5,874	6,377
Health and Mental Health Services	1,723	1,674	1,627
Community and Municipal Services	756	666	664
Children and Families' Well-Being	1,267	1,243	1,340
Operations ²	288	280	307
Other ³	302	282	278
TOTAL	10,468	10,019	10,593

1. See Exhibit I for a breakdown of departments by cluster.

2. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

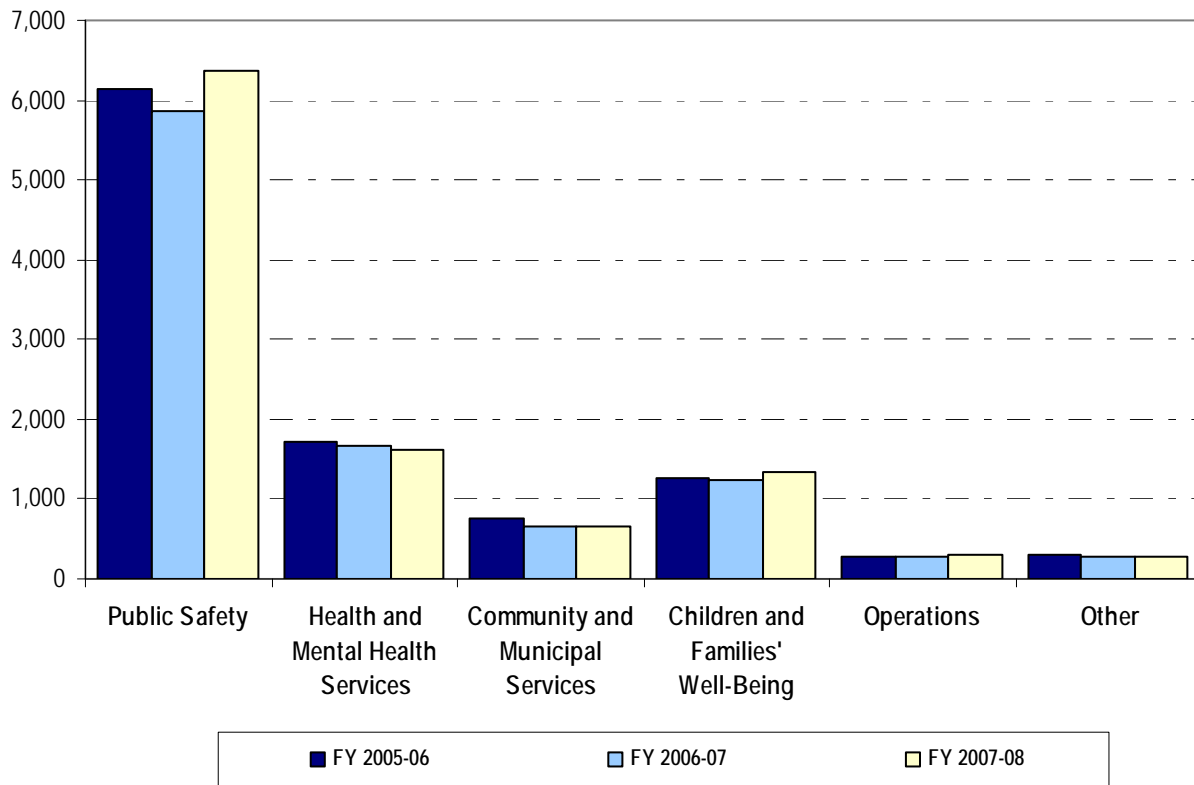
3. "Other" category includes claims coded to LACERA, Pending Assignment, and Superior Court.



Workers' compensation claim frequency increased from FY 2006-07 to FY 2007-08, with a majority of the increase being in Public Safety, where staffing levels have also increased.

WORKERS' COMPENSATION CLAIMS FILED BY CLUSTER

FY 2005-06 through FY 2007-08



1. "Other" category includes claims coded to LACERA, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

EXHIBIT E

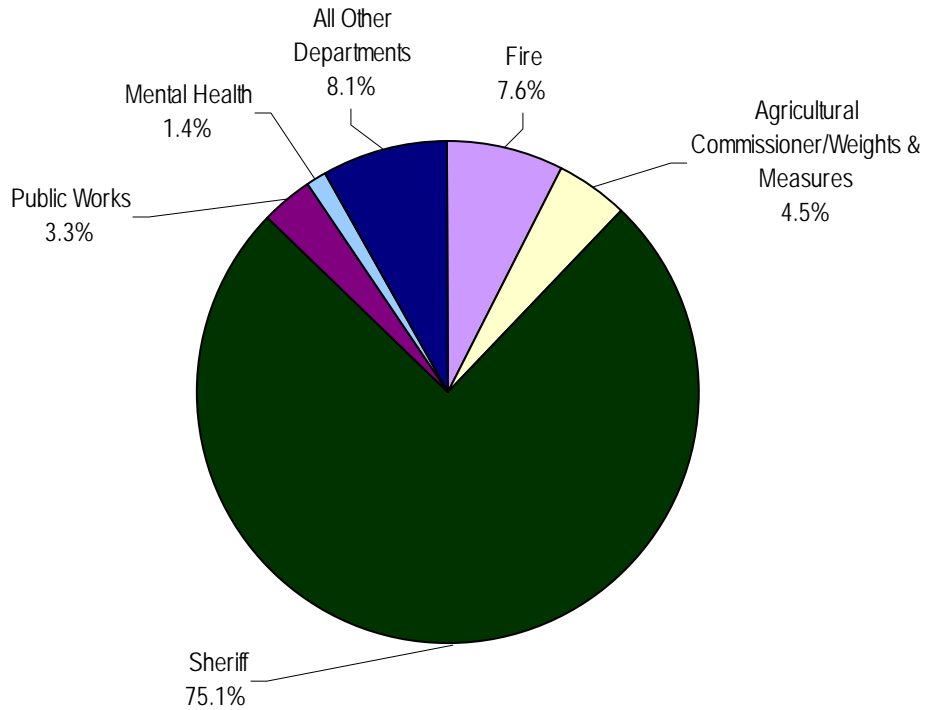
VEHICLE LIABILITY CLAIM COUNT AND COST SUMMARY

DEPARTMENT	FY 2005-06		FY 2006-07		FY 2007-08	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights & Measures	12	\$68,034	10	\$35,040	2	\$489,586
Alternate Public Defender	3	\$11,077	0	\$0	3	\$90
Animal Care and Control	2	\$12,643	3	\$1,031	8	\$5,287
Assessor	3	\$15,127	2	\$1,653	2	\$1,837
Auditor-Controller	2	\$13,454	1	\$7,685	0	\$0
Beaches and Harbors	6	\$5,154	1	\$4,604	7	\$43,322
Board of Supervisors	5	\$199	7	\$10,886	5	\$51,585
Chief Executive Office	0	\$0	4	\$831	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$140	1	\$413	4	\$14,270
Children and Family Services	48	\$137,681	46	\$204,072	65	\$131,337
Community and Senior Services	0	\$0	1	\$3,094	2	\$0
Consumer Affairs	0	\$0	0	\$0	2	\$3,201
Coroner	1	\$115	15	\$2,253	3	\$28,380
County Counsel	0	\$17	0	\$0	9	\$755
District Attorney	3	\$40,042	10	\$112,071	32	\$71,815
Fire	107	\$1,132,032	127	\$3,556,897	88	\$820,878
Health Services	19	\$19,582	14	\$78,277	9	\$44,335
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	0	\$0	2	\$1,203	0	\$1,242
Internal Services	29	\$316,999	19	\$240,769	19	\$133,550
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	13	\$130,386	12	\$115,282	27	\$148,990
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	1	\$0	0	\$0
Non-Jurisdictional	74	\$6,611	55	\$27,200	73	\$4,521
Office of Public Safety	8	\$14,817	14	\$9,216	14	\$98,693
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	30	\$68,888	31	\$81,054	27	\$7,620
Pending Assignment	10	\$1,580	8	\$6,383	15	\$3,536
Probation	11	\$34,717	14	\$32,458	21	\$67,728
Public Defender	3	\$58,007	5	\$30,439	1	\$948
Public Health	14	\$190,455	19	\$81,927	15	\$26,542
Public Library	2	\$32,221	2	\$8,273	1	\$406
Public Social Services	13	\$88,448	10	\$63,328	17	\$115,996
Public Works	112	\$404,117	104	\$577,178	103	\$357,978
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	1	\$8,520	3	\$27,464	1	\$12,933
Sheriff	299	\$3,931,167	330	\$4,749,871	411	\$8,110,664
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Total⁴	830	\$6,742,230	870	\$10,070,852	985	\$10,798,025

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2008.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

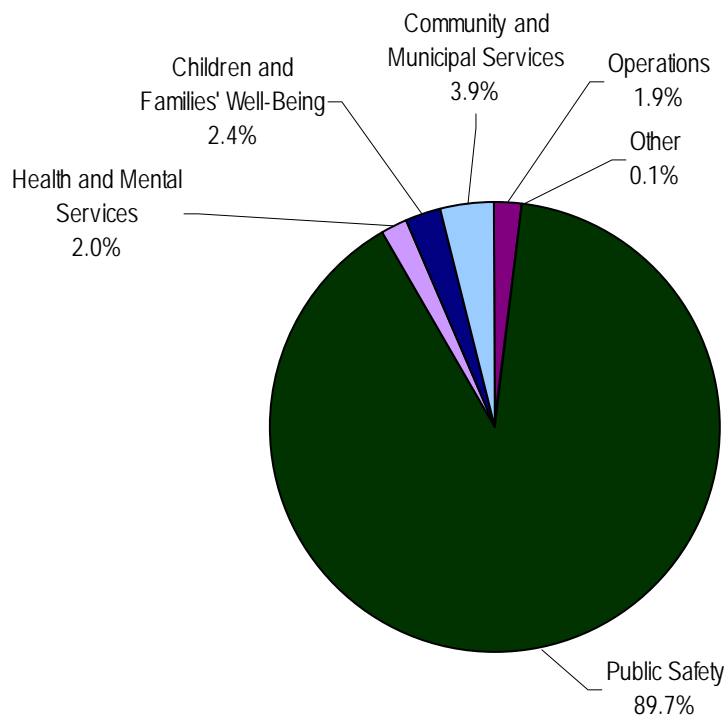
VEHICLE LIABILITY COST PAID BY DEPARTMENT

FY 2007-08



VEHICLE LIABILITY COST PAID BY CLUSTER

FY 2007-08



1. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

NUMBER OF VEHICLE LIABILITY CLAIMS

FY 2005-06 through FY 2007-08

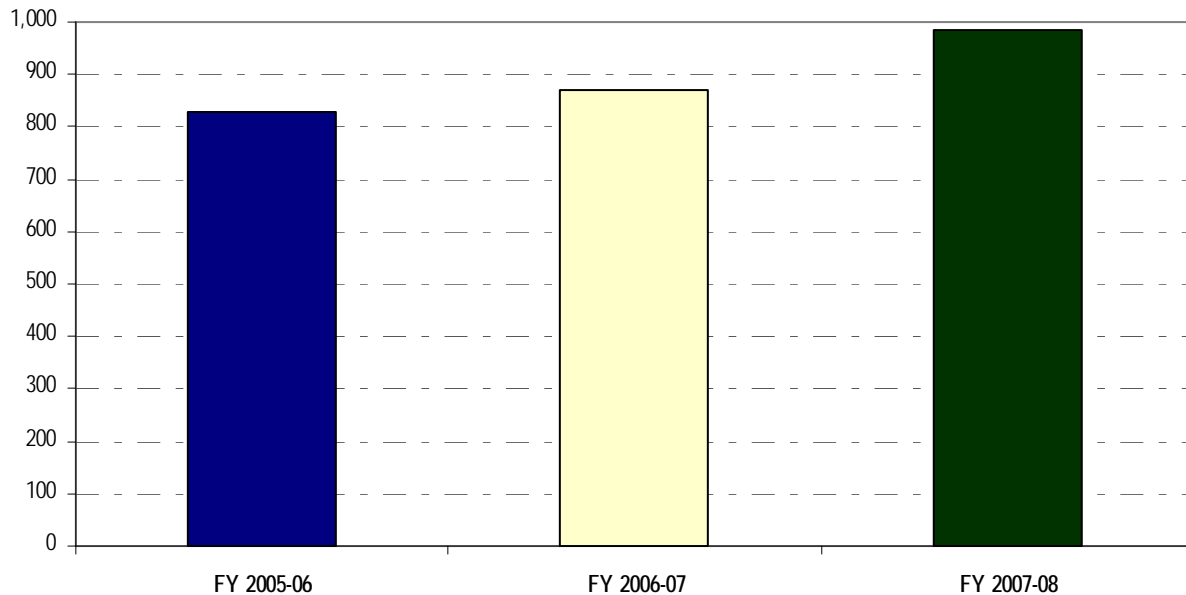
CLUSTER ¹	FY 2005-06	FY 2006-07	FY 2007-08
Public Safety	447	525	575
Health and Mental Health Services	46	45	51
Community and Municipal Services	152	142	148
Children and Families' Well-Being	61	58	88
Operations ²	40	38	36
Other ³	84	63	88
TOTAL⁴	830	871	986

1. See Exhibit I for a breakdown of departments by cluster.

2. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

3. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.

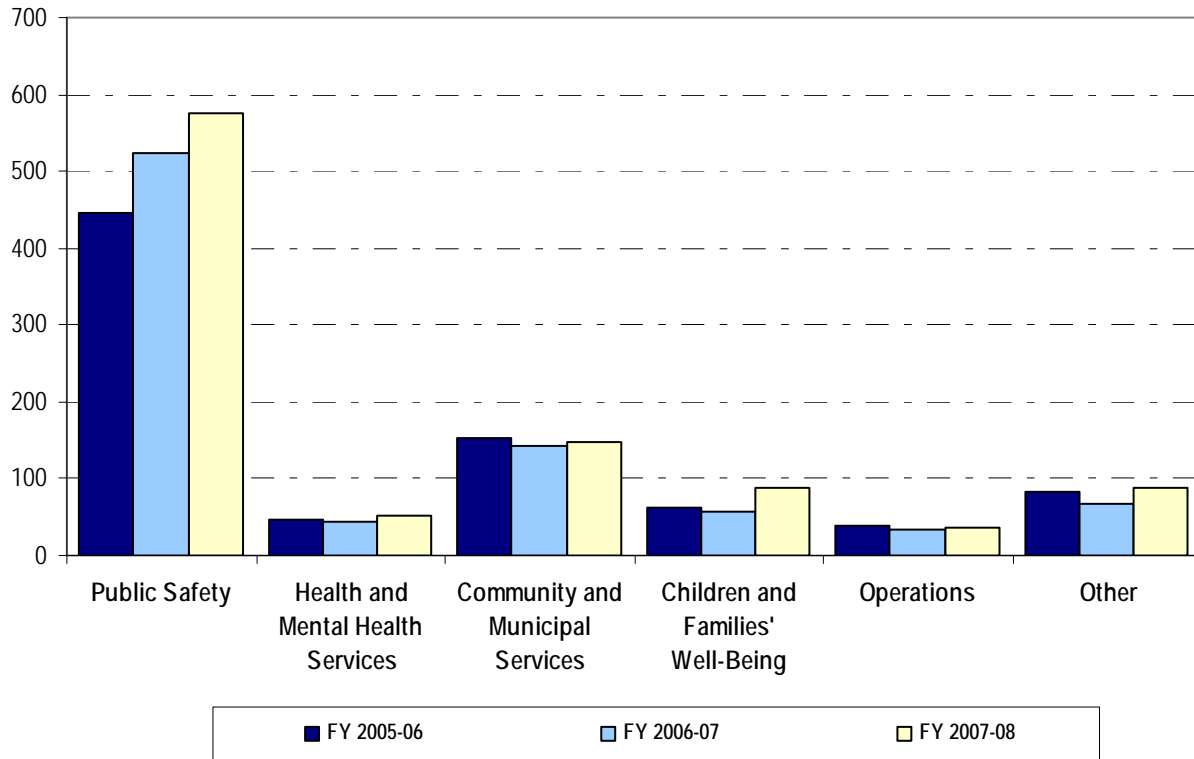
4. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.



Vehicle liability claim frequency continues to increase. Much of the increase in FY 2007-08 occurred in the Sheriff's Department, with the Department of Children and Family Services, District Attorney, and the Department of Mental Health also experiencing increases. The Fire Department experienced a significant decrease.

VEHICLE LIABILITY CLAIMS FILED BY CLUSTER

FY 2005-06 through FY 2007-08



1. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

EXHIBIT F

GENERAL LIABILITY CLAIM COUNT AND COST SUMMARY

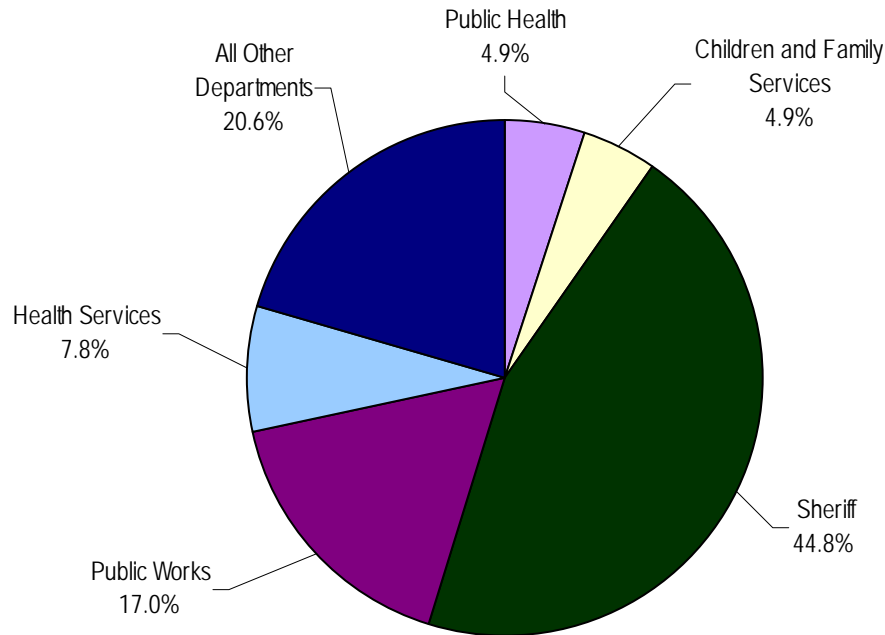
DEPARTMENT	FY 2005-06		FY 2006-07		FY 2007-08	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	1	\$316	0	\$0	0	\$0
Agricultural Commissioner/Weights & Measures	8	\$5,333	8	\$1,961	16	\$44,853
Alternate Public Defender	3	\$304,390	3	\$854,722	3	\$357,182
Animal Care and Control	7	\$313,241	14	\$166,363	38	\$375,871
Assessor	9	\$88,394	5	\$81,363	19	\$179,275
Auditor-Controller	97	\$44,822	16	\$368,526	50	\$72,347
Beaches and Harbors	18	\$340,015	14	\$118,177	22	\$71,661
Board of Supervisors	13	\$695,462	4	\$414,813	13	\$495,453
Chief Executive Office	6	\$1,002,398	8	\$186,131	9	\$411,483
Chief Information Office	0	\$0	0	\$0	1	\$0
Child Support Services	24	\$189,228	16	\$321,330	26	\$106,732
Children and Family Services	101	\$2,955,846	73	\$1,882,094	122	\$2,783,665
Community and Senior Services	3	\$152,494	2	\$156,093	2	\$302,516
Consumer Affairs	0	\$74	0	\$0	1	\$0
Coroner	4	\$49,301	14	\$29,499	42	\$53,387
County Counsel	3	\$302,531	4	\$150,577	8	\$52,163
District Attorney	82	\$689,485	55	\$608,867	60	\$877,528
Fire	31	\$493,312	46	\$593,776	45	\$1,479,111
Health Services	175	\$3,129,193	292	\$3,303,030	293	\$4,425,909
Human Relations Commission	1	\$0	0	\$0	0	\$0
Human Resources	4	\$819	2	\$167	1	\$0
Internal Services	25	-\$3,303,517 ⁴	24	\$93,362	38	\$101,209
LACERA	0	\$0	0	\$0	1	\$0
Mental Health	31	\$985,753	29	\$1,661,070	36	\$1,111,616
Military and Veterans Affairs	0	\$0	1	\$0	0	\$0
Museum of Art	5	\$596	4	\$10,000	2	\$536
Museum of Natural History	0	\$4,248	0	\$0	2	\$264
Non-Jurisdictional	236	\$141,708	268	\$233,511	346	\$445,746
Office of Public Safety	14	\$369,415	5	\$1,027,341	22	\$513,180
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	66	\$416,583	56	\$2,988,443	59	\$397,745
Pending Assignment	4	\$1,552	7	\$11,882	4	\$218
Probation	34	\$1,535,527	53	\$886,577	75	\$2,576,428
Public Defender	15	\$500,361	16	\$167,778	15	\$99,574
Public Health	21	\$891,011	15	\$1,019,428	18	\$2,759,541
Public Library	4	\$183,177	9	\$10,043	11	\$72,547
Public Social Services	23	\$740,526	23	\$844,992	37	\$155,978
Public Works	612	\$6,962,971	575	\$7,271,101	625	\$9,626,793
Regional Planning	4	\$384	5	\$12,927	10	\$98,786
Registrar-Recorder/County Clerk	6	\$362,065	26	\$83,539	50	\$837,739
Sheriff	1,480	\$23,803,726	1,463	\$26,483,557	1,913	\$25,331,968
Superior Court	2	\$19,337	2	\$96	1	\$0
Treasurer and Tax Collector	21	\$118,568	18	\$75,117	129	\$326,601
Total⁵	3,101	\$44,490,645	2,956	\$52,118,253	3,857	\$56,545,605

Note: General Liability includes premises, employment practices, police, and professional liability.

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2008.
4. FY 2005-06 Amount Paid for Internal Services Department includes the recovery of \$3.9 million on one claim.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

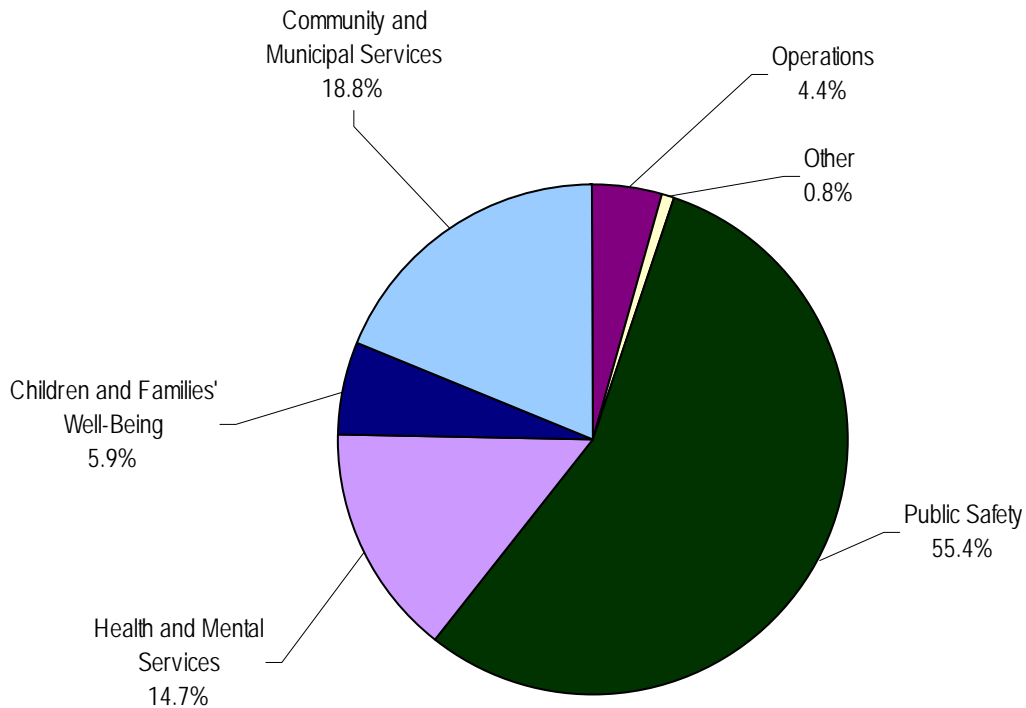
GENERAL LIABILITY COST PAID BY DEPARTMENT

FY 2007-08



GENERAL LIABILITY COST PAID BY CLUSTER

FY 2007-08



1. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

NUMBER OF GENERAL LIABILITY CLAIMS

FY 2005-06 through FY 2007-08

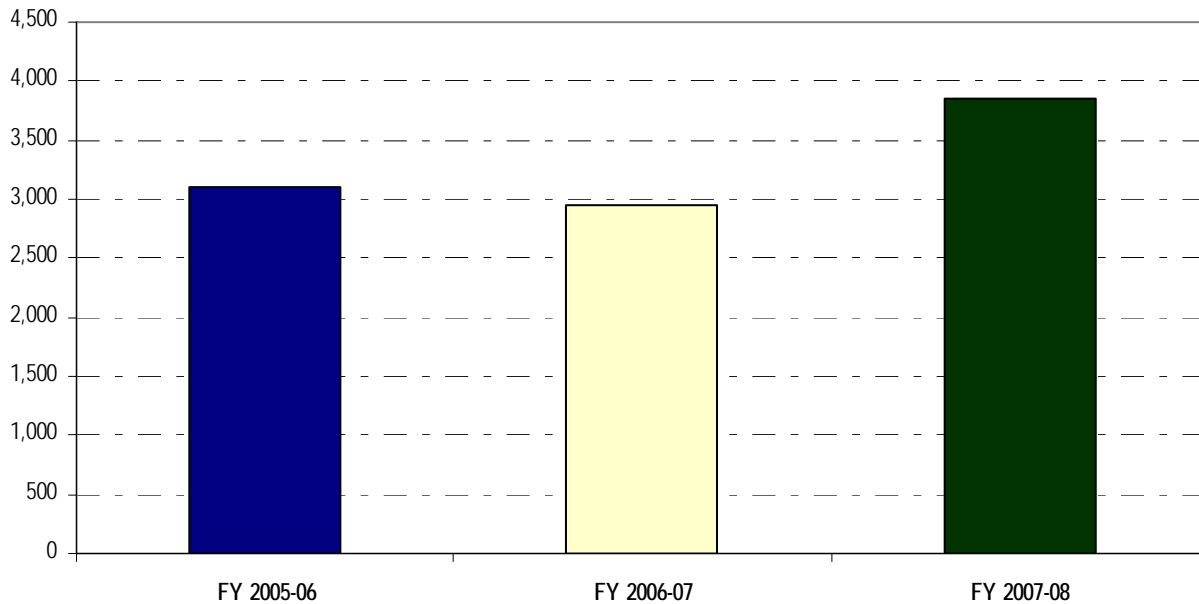
CLUSTER ¹	FY 2005-06	FY 2006-07	FY 2007-08
Public Safety	1,671	1,663	2,191
Health and Mental Health Services	227	336	347
Community and Municipal Services	716	677	770
Children and Families' Well-Being	152	115	187
Operations ²	185	107	318
Other ³	242	277	352
TOTAL⁴	3,193	3,175	4,165

1. See Exhibit I for a breakdown of departments by cluster.

2. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

3. "Other" category includes claims coded to LACERA, Non-jurisdictional, Pending Assignment, and Superior Court.

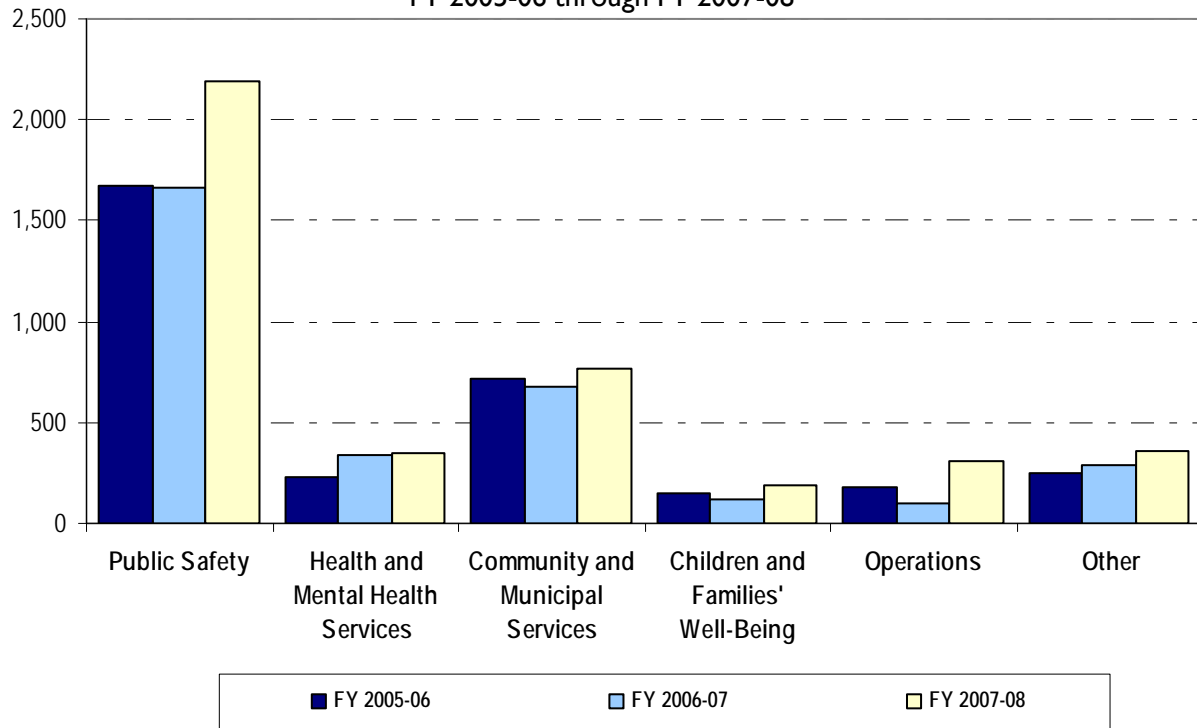
4. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.



General liability claim frequency increased significantly in FY 2007-08. Much of this increase has been experienced in the Department of Children and Family Services, Department of Public Works, the Sheriff's Department, and the Treasurer and Tax Collector.

GENERAL LIABILITY CLAIMS FILED BY CLUSTER

FY 2005-06 through FY 2007-08



1. "Other" category includes claims coded to LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

EXHIBIT G

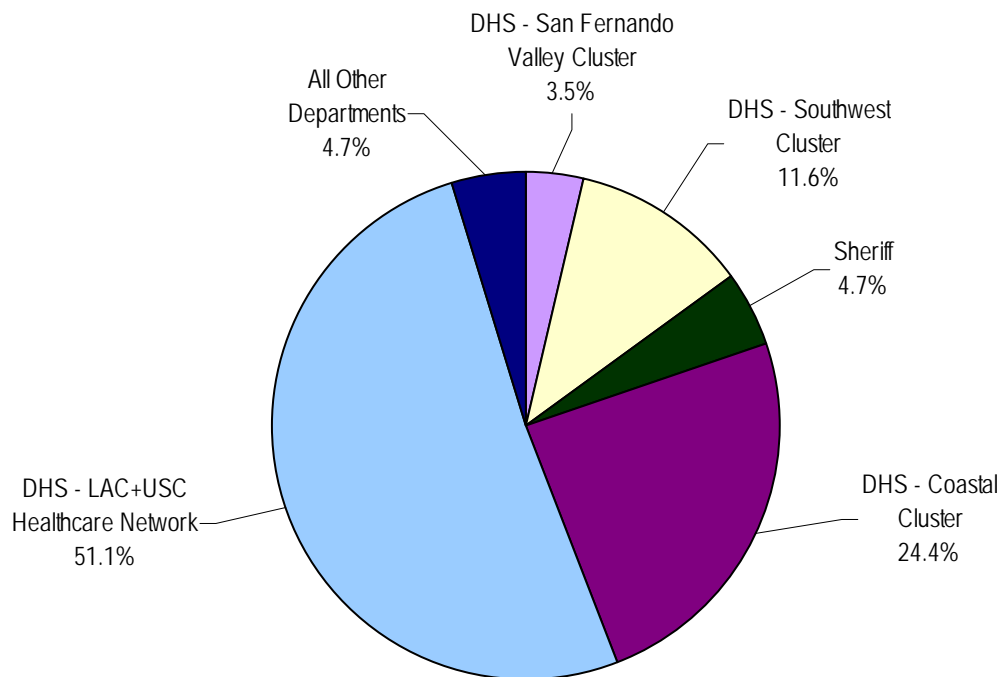
MEDICAL MALPRACTICE CLAIM COUNT AND COST SUMMARY

DEPARTMENT	FY 2005-06		FY 2006-07		FY 2007-08	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Antelope Valley Cluster	6	\$58,713	10	\$84,112	5	\$19,250
DHS – Coastal Cluster	81	\$3,593,728	32	\$3,482,781	75	\$4,474,803
DHS – LAC+USC Healthcare Network	148	\$5,169,659	75	\$10,363,885	109	\$9,358,367
DHS – Other ⁴	1	\$3,674	9	\$12	6	\$34,188
DHS – Rancho Los Amigos	9	\$49,900	7	\$67,274	8	\$8,130
DHS – San Fernando Valley Cluster	32	\$2,499,956	29	\$1,309,533	53	\$633,371
DHS – Southwest Cluster	45	\$2,692,947	38	\$4,326,580	25	\$2,126,364
Health Services Subtotal⁵	307	\$14,068,577	190	\$19,634,177	273	\$16,654,473
Children and Family Services	5	\$39,561	0	\$25	1	\$0
Coroner	24	\$52,240	6	\$212,809	8	\$263,809
District Attorney	0	\$10,261	0	\$0	0	\$0
Fire	5	\$252,435	15	\$46,918	4	\$131,985
Mental Health	16	\$60,420	23	\$119,812	16	\$91,896
Non-Jurisdictional	15	\$613	23	\$579	19	\$0
Office of Public Safety	0	\$0	2	\$23	1	\$87,580
Probation	0	\$734	1	\$1,589	0	\$2,703
Public Health	0	\$111,376	0	\$25,754	3	\$218,968
Public Social Services	0	\$0	0	\$0	2	\$0
Sheriff	86	\$660,607	40	\$2,228,249	25	\$860,704
Total⁵	402	\$15,256,824	276	\$22,269,935	334	\$18,312,118

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2008.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, and Health Services-NOC.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

MEDICAL MALPRACTICE COST PAID BY DEPARTMENT

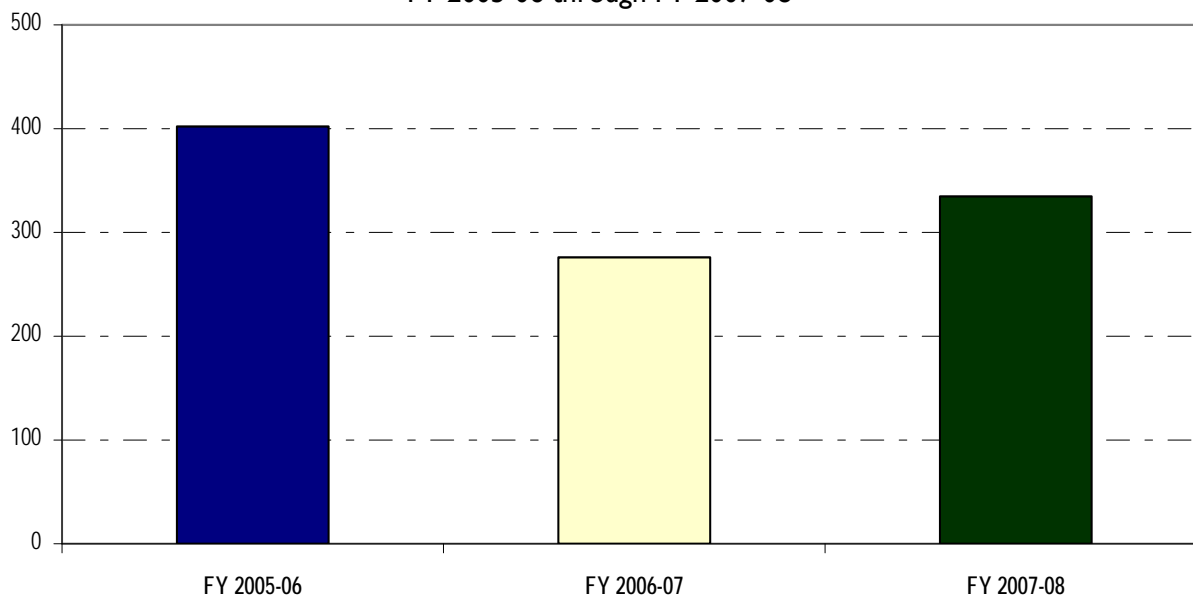
FY 2007-08



- I. "All Other Departments" category includes claims coded to Children and Family Services, Coroner, District Attorney, Fire, Mental Health, Non-Jurisdictional, Office of Public Safety, Probation, Public Health, and Public Social Services.

NUMBER OF MEDICAL MALPRACTICE CLAIMS

FY 2005-06 through FY 2007-08



Medical malpractice claim frequency increased from FY 2006-07 to FY 2007-08, but still remains well below the level from FY 2005-06. The amount paid decreased by 17%.

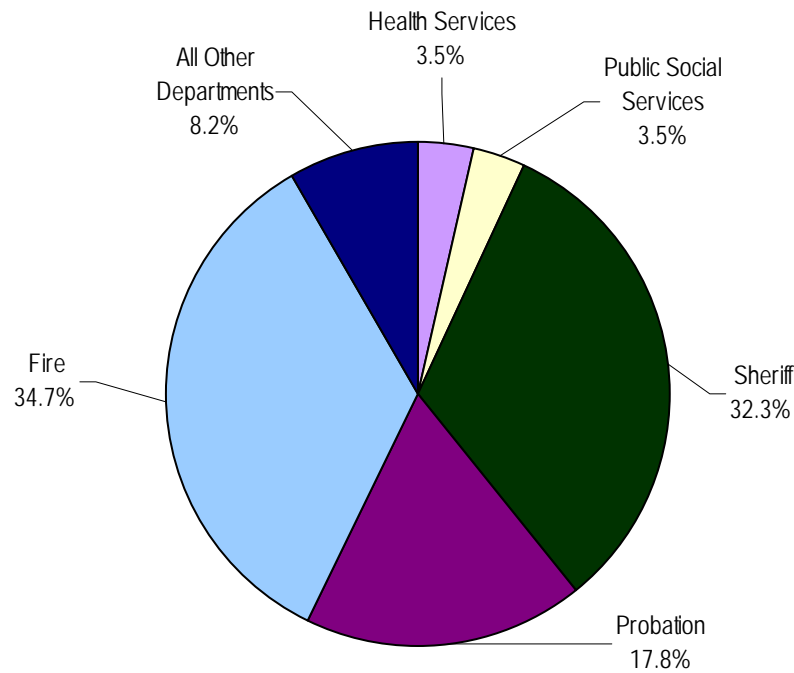
EXHIBIT H
**SALARY CONTINUATION AND LABOR CODE 4850
COST SUMMARY**

DEPARTMENT	FY 2005-06	FY 2006-07	FY 2007-08
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action	\$0	\$7,920	\$0
Agricultural Commissioner/Weights & Measures	\$14,339	\$29,126	\$4,442
Alternate Public Defender	\$0	\$7,963	\$0
Animal Care and Control	\$75,181	\$58,343	\$62,541
Assessor	\$29,863	\$16,576	\$22,857
Auditor-Controller	\$28,629	\$16,326	\$3,120
Beaches and Harbors	\$28,237	\$25,821	\$27,578
Board of Supervisors	\$19,920	\$0	\$0
Chief Executive Office	\$308	\$12,331	\$18,791
Chief Information Office	\$0	\$0	\$0
Child Support Services	\$116,722	\$76,119	\$95,281
Children and Family Services	\$463,539	\$739,930	\$652,004
Community and Senior Services	\$12,315	\$20,412	\$43,153
Consumer Affairs	\$0	\$23,568	\$3,532
Coroner	\$32,823	\$52,058	\$43,551
County Counsel	\$1,320	\$20,578	\$7,912
District Attorney	\$275,915	\$324,007	\$175,571
Fire	\$13,245,018	\$13,107,930	\$13,854,159
Health Services	\$1,674,282	\$1,635,262	\$1,376,017
Human Relations Commission	\$0	\$0	\$882
Human Resources	\$1,800	\$1,320	\$0
Internal Services	\$213,360	\$261,844	\$153,518
LACERA	\$912	\$12,356	\$0
Mental Health	\$159,242	\$98,439	\$149,684
Military and Veterans Affairs	\$28,609	\$12,639	\$4,563
Museum of Art	\$235	\$0	\$8,634
Museum of Natural History	\$0	\$0	\$0
Office of Public Safety	\$464,251	\$276,648	\$401,266
Ombudsman	\$0	\$0	\$0
Parks and Recreation	\$119,000	\$222,610	\$152,830
Probation	\$6,543,651	\$7,809,314	\$7,097,840
Public Defender	\$57,781	\$52,006	\$84,076
Public Health	\$316,261	\$299,835	\$307,128
Public Library	\$44,125	\$35,219	\$24,690
Public Social Services	\$1,522,220	\$1,329,588	\$1,392,135
Public Works	\$542,082	\$319,643	\$232,002
Regional Planning	\$643	\$0	\$0
Registrar-Recorder/County Clerk	\$17,408	\$53,926	\$55,843
Sheriff	\$15,320,053	\$15,457,230	\$12,888,961
Superior Court	\$863,158	\$577,052	\$495,013
Treasurer and Tax Collector	\$23,717	\$13,890	\$60,125
Total	\$42,256,919	\$43,007,829	\$39,899,699

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegaIA expense.

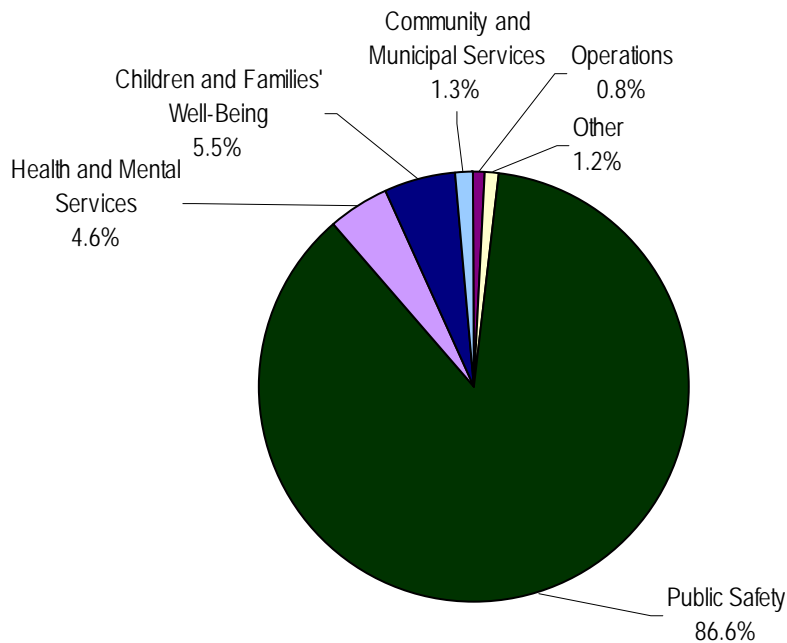
SALARY CONTINUATION AND LABOR CODE 4850 COST SUMMARY BY DEPARTMENT

FY 2007-08



SALARY CONTINUATION AND LABOR CODE 4850 COST SUMMARY BY CLUSTER

FY 2007-08



1. "Other" category includes claims coded to LACERA and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.
3. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.

EXHIBIT I
CLUSTER — DEPARTMENT LIST

**CHILDREN AND
FAMILIES' WELL-BEING**

Child Support Services
Children and Family Services
Community and Senior Services
Human Relations Commission
Military and Veterans Affairs
Public Social Services

**COMMUNITY AND MUNICIPAL
SERVICES**

Animal Care and Control
Beaches and Harbors
Consumer Affairs
Museum of Art
Museum of Natural History
Parks and Recreation
Public Library
Public Works
Regional Planning

**HEALTH AND
MENTAL HEALTH SERVICES**

Health Services
Mental Health
Public Health

OPERATIONS

Affirmative Action
Assessor
Auditor-Controller
Board of Supervisors
Chief Executive Office¹
Chief Information Office
County Counsel
Human Resources
Internal Services
Registrar-Recorder/County Clerk
Treasurer and Tax Collector

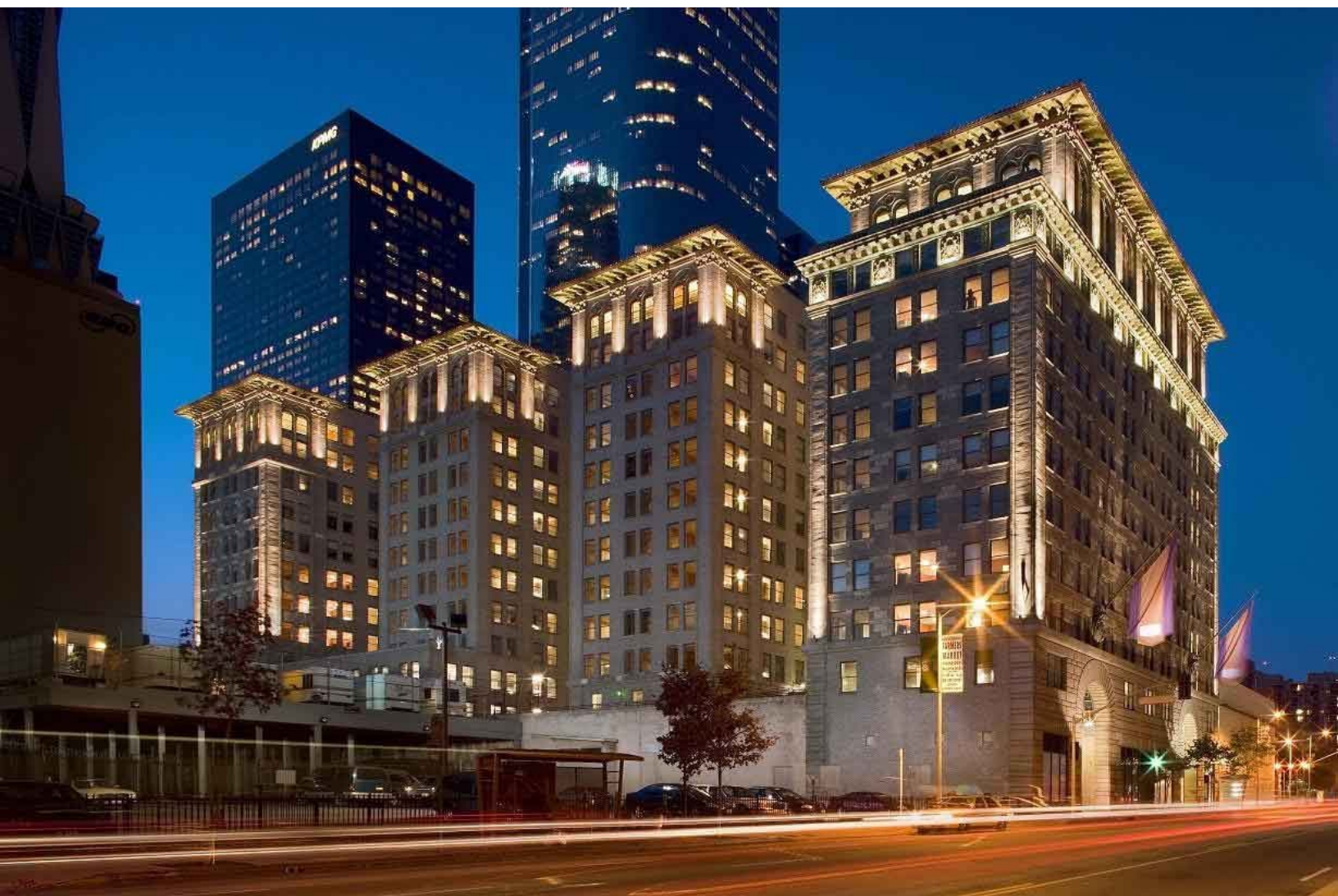
PUBLIC SAFETY

Agricultural Commissioner/
Weights and Measures
Alternate Public Defender
Coroner
District Attorney
Fire
Office of Public Safety
Ombudsman
Probation
Public Defender
Sheriff

OTHER

LACERA
Non-Jurisdictional
Pending Assignment
Superior Court

I. Operations Cluster includes CEO for reporting purposes, even though not all of the CEO is part of the Operations Cluster.



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<http://ceo.lacounty.gov/>